

**FOREIGN POLICY OVERVIEW AND THE PRESIDENT'S
FISCAL YEAR 2003 FOREIGN AFFAIRS BUDGET
REQUEST**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

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FOREIGN POLICY OVERVIEW AND THE PRESIDENT'S FISCAL YEAR 2003 FOREIGN AFFAIRS BUDGET REQUEST

TUESDAY, FEBRUARY 5, 2002

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:17 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Joseph R. Biden, Jr., (chairman of the committee), presiding.

Present: Senators Biden, Sarbanes, Feingold, Wellstone, Boxer, Helms, Lugar, Hagel, Chafee, Brownback, and Enzi.

The CHAIRMAN. Good morning. Mr. Secretary, welcome back to the committee. We are delighted to have you here and we look forward to having a chance to hear what you have to say. You have had a good run here and I want to compliment you on the way you have handled yourself, the Department and the administration, let me begin by saying that.

Let me do a little housekeeping first. I will have an opening statement that will be about 5 minutes, maybe less. Then I will go to Senator Helms and then we will go to the Secretary. We are going to, unfortunately, have a vote at 10:30. We will go to the end of the Secretary's statement and if need be, if the vote time runs out, we will come back and hear the remainder of it, and then the committee will break for the time it takes for the entire committee to go and vote and come back with your permission, Mr. Secretary.

Today the Committee on Foreign Relations begins what we hope to be a series of hearings to review American foreign policy in the wake of the attacks on the United States last September. The essential objectives of the hearings are two-fold: to highlight the serious national security challenges facing this country, and to ensure that we are allocating our resources properly to meet those challenges. In other words, to do the job the Congress is supposed to do.

We began with Secretary of State Powell, who has done, as I said, a first-rate job in guiding American foreign policy, particularly since the attacks of September 11, but I would say there has really been no change. You have done it well from the very beginning and you have not missed a beat.

The administration has skillfully assembled and led an international coalition to wage a war against al-Qaeda and the Taliban and to attack the threat of terrorism on all fronts—militarily, dip-

lomatically, legally and financially. Mr. Secretary, we welcome you back to the committee.

Out of the destruction of September 11 came seeds of opportunity in my view, and I know you believe that as well. The challenge for the United States now seems to me to ensure that we seize the opportunities that are available to build a new framework for international affairs for the 21st century.

In that regard, we will be interested in hearing from the Secretary today and in months ahead on several key issues, and I'd just like to highlight a handful.

First, are we doing enough to secure our victory in Afghanistan? America's armed forces have waged a brilliant campaign to end the tyrannical rule of the Taliban, but having spent 4 days not too long ago in Kabul, and I know Mr. Secretary, you have been there as well, it is clear that much remains to be done.

Al-Qaeda and Taliban elements remain active in many parts of the country. Security is inadequate not only in the countryside, but even in Kabul itself, and the task of reconstruction of a nation devastated by two decades of war is immense, although it does not require a Marshall Plan.

We have to complete the job in Afghanistan, militarily against terrorists and the Taliban operatives, and through U.S. participation in a multinational security force in my view, and economically in a partnership with other nations to rebuild the country, which was started in Tokyo.

Second, what are the implications for the President's declaration last week that North Korea, Iran and Iraq comprise an "axis of evil"? Was this merely a rhetorical device designed to lump together three nations who we have long considered dangerous rogue states, or does it indicate a significant shift in U.S. policy toward these nations?

I agree with the President that each nation poses a security threat to the United States and to the civilized world. But they are hardly identical or allied with each other, and our policies toward them have up to now involved very different strategies.

For example, working with our partners in South Korea and Japan, we have until now and maybe continue as well to embrace a policy of engagement with North Korea, so as to achieve an agreement for a verifiable end to the country's long-range missile program and sales as well as their nuclear program. Does this mean that that approach is no longer in play here?

Third, what is the current state of U.S. strategic and non-proliferation policy? Since the Secretary was last before us, there have been several significant events. One, the administration announced the United States would withdraw from the ABM Treaty. Two, the administration concluded after a lengthy review that most ongoing nonproliferation programs with Russia and other Eurasian states should be sustained. And the new National Intelligence Estimate affirmed that the United States remains at greater risk from the nonmissile delivery of a weapon of mass destruction than from the delivery of ballistic missiles. Do we have the balance right in terms of our expenditures?

I hope the Secretary can update us on the administration's discussions with Russia, on mutual arms reductions, particularly the

question of whether the administration intends to reach an agreement on a binding treaty that would be submitted to the Senate.

Any understanding with Russia on the future of our respective nuclear arsenals must, in my view, rest on more than a handshake. And let me make my view clear. Any formal agreement on mutual force reductions should be in the form of a treaty.

The Senate did not allow the previous administration to do an end run around it on arms control and I don't believe we should allow this one to do it either, if that was the intent, and I do not know what the intent is.

I also believe that the events of September 11 and the subsequent discovery of information about al-Qaeda's efforts to obtain weapons of mass destruction, combined with the National Intelligence Estimate, make it imperative that we focus more resources on what should be our highest national security priority, and that is preventing the proliferation of nuclear, chemical and biological weapons.

And finally, is the President's budget for international affairs adequate to protect our national security? The President requests \$25.4 billion, which is less than the amount provided in 2002, if you include the emergency additions we added to the budget.

The question is if you take that away, there is about a 6 percent increase. Is that enough? True, as compared to the regular appropriations contemplated before September 11, this budget, as I said, contains a 5.9 percent increase in nominal terms. But these are not regular times, as the President has correctly emphasized. The budget this year should be measured against the total spending for last year. By that standard, the budget for fiscal 2003 appears to assume that we can return to the status quo ante.

Aside from the promised expansion of the Peace Corps, a development that I welcome, and a continuation of the Secretary's proposal to address the personnel shortfall in the Department, which I think is critical, there appear to be few significant initiatives or increases in the foreign affairs budget that reflect the changed world in which we live.

The President's budget provides for a significant increase in the Department of Defense and homeland security, but it appears to fall short in providing enough resources for our first line of defense, our diplomatic corps. I might add, I just spoke today with our charge, former Ambassador in Afghanistan, and the Secretary makes this point all the time—more of our diplomatic corps are at risk with less protection, although, by the way, these young Marines you all trained, they are something else. They are something else. But at any rate, diplomats are more at risk than even our men in uniform. More have been killed in recent years, and so I want to talk to the Secretary about that. I know he shares the same concerns.

Let me turn now to my friend, Senator Helms, who has had a brilliant career in this committee and this is the beginning of the final lap, and I expect it will be a sprint between now and the time this Congress ends. But I welcome his comments. I should say, Mr. Chairman, when you finish speaking, maybe we should leave and vote so the Secretary can be uninterrupted in his statement.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

Today the Committee on Foreign Relations begins a series of hearings to review American foreign policy in the wake of the attacks on the United States last September. The essential objectives of the hearings are two-fold: to highlight the serious national security challenges facing this country and to ensure that we are allocating our resources properly to meet those challenges.

We begin with Secretary of State Powell, who has done a first-rate job in guiding American foreign policy, particularly since the attacks of September 11. The administration has skillfully assembled and led an international coalition to wage the war against al-Qaeda and the Taliban, and to attack the threat of terrorism across all fronts—military, diplomatic, legal and financial. Mr. Secretary, we welcome you back to the committee.

Out of the destruction of September 11 can come seeds of opportunity. The challenge for the United States is to ensure that we seize the opportunity to build a new framework for international affairs for the 21st century.

In that regard, we will be interested in hearing from the Secretary, today and in the months ahead, on several key issues. Let me just highlight a handful:

First, are we doing enough to secure our victory in Afghanistan? America's armed forces have waged a brilliant campaign to end the tyrannical rule of the Taliban. But having spent four days in Kabul last month, it is clear that much remains to be done:

- al-Qaeda and Taliban elements remain active in many parts of the country;
- security is inadequate—not only in the countryside, but in Kabul itself;
- and the task of reconstruction of a nation devastated by two decades of war is immense.

We must complete the job in Afghanistan—

- *militarily* against terrorist and Taliban operatives, and through U.S. participation in a multi-national security force,
- and *economically*, in partnership with other nations, to rebuild the country.

Second, what are the implications of the President's declaration last week that North Korea, Iran, and Iraq comprise an "axis of evil?" Was this merely a rhetorical device, designed to lump together three nations we have long considered dangerous rogue states, or does it indicate a significant shift in U.S. policy toward these nations?

I agree with the President that each nation poses a security threat—to the United States and to the civilized world. But they are hardly identical or allied with each other, and our policies toward them have involved different strategies. For example, working with our partners in South Korea and Japan, we have until now embraced a policy of engagement with North Korea so as to achieve an agreement for a verifiable end to that country's long-range missile programs and sales. Does the President intend to abandon this approach?

Third, what is the current state of U.S. strategic and non-proliferation policy? Since the Secretary was last before us, there have been several significant events:

- the administration announced that the United States will withdraw from the ABM Treaty;
- the administration concluded, after a lengthy review, that most ongoing non-proliferation programs with Russia and other Eurasian states should be sustained;
- and the new National Intelligence Estimate affirm that the United States remains at greater risk from a non-missile delivery of a weapon of mass destruction than from delivery by a ballistic missile.

I hope the Secretary can update us on the administration's discussions with Russia on mutual arms reductions, particularly on the question of whether the administration intends to reach agreement on a binding treaty that would be submitted to the Senate.

Any understanding with Russia on the future of our respective nuclear arsenals must, in my view, rest on more than a handshake. Let me make clear my view: any formal agreement on mutual force reductions should be in the form of a treaty. The Senate did not allow the previous administration to do an end run around it on arms control, and I don't believe we will allow this one to do so, either.

I also believe the events of September 11—and the subsequent discovery of information about al-Qaeda's efforts to obtain weapons of mass destruction, combined with the National Intelligence Estimate—make it imperative that we focus more re-

sources on what should be our highest national security priority: preventing the proliferation of nuclear, chemical or biological weapons.

Finally, is the President's budget for international affairs adequate to protect our national security? The President's request of \$25.4 billion is *less* than the amount provided in fiscal 2002, after including the emergency funds provided after September 11.

True, as compared against the *regular* appropriations contemplated before September 11, the budget contains a 5.9 percent increase in nominal terms.

But these are not regular times—as the President has correctly emphasized. And the budget this year should be measured against the total spending for last year. By that standard, the budget for fiscal 2003 appears to assume that we can return to the *status quo ante*.

Aside from the promised expansion for the Peace Corps—a development that I welcome—and the continuation of the Secretary's proposal to address the personnel shortfall in the Department, there appear to be few significant initiatives or increases in the foreign affairs budget that reflect the changed world in which we now live.

The President's budget provides for a significant increase for the Department of Defense and homeland security, but appears to fall short in providing enough resources for our first line of defense—our diplomatic corps.

Let me turn now to my friend, Senator Helms, who is beginning his final year in the Senate, for any comments he may have. Then we will hear from the Secretary.

Senator HELMS. Before I begin, Mr. Chairman, let us resolve next time this gentleman appears before this committee to make arrangements to use the auditorium studio because we have so many young people out there in the hallways, about a half an acre of them and they want to see the Secretary and they cannot see him. This is a fairly large hearing room. But anyway—

The CHAIRMAN. I thought they were here to see Bertie. I did not know.

Senator HELMS. It is a tribute to you Mr. Secretary, I think, that so many young people are interested in what you say and what you do.

The CHAIRMAN. I think you are right, Mr. Chairman.

Senator HELMS. Mr. Secretary, I bet that all of us are aware how delightful the occasion is when you visit the Foreign Relations Committee. You always attract many visitors and this morning is certainly no alternative.

First, Mr. Secretary, I am confident that you probably agreed that the President's State of the Union Address the other night was reminiscent of, to a lot of us, President Reagan's appearances. They had the same technique of saying the right thing at the right time in the right way. Both came at times when great challenges confronted our Nation, and both set out to overcome them, and in the process, give confidence to the American people which is certainly evident in the case of President Bush.

President Reagan defeated communism. President Bush, no doubt about it, will defeat terrorists. I believe that. America's enemies never obey the laws of war, or for that matter, any other laws. Their twisted and evil methods are intended to put at risk every innocent American, every man and woman and child in this country, and that is a challenge we got to face up to. And that is why, Mr. Secretary, I applaud your clear understanding that the terrorists being held at Guantanamo Bay absolutely are not, are not prisoners of war, and in no way do they merit any legal protections of the Geneva Conventions.

There is an important higher truth which you obviously have grasped, my friend, to be in the custody of the United States is to enjoy the rights conferred by a decent people. Our military forces, the world has never known finer, have restored civilization to Afghanistan, but our country's greatest challenges lie ahead. We must finish the business of Afghanistan and bin Laden before we undertake new military commitments, and then, Mr. Secretary, Saddam must go.

He is anathema to the well-being of the people of the Middle East, as well as to our own national security. There is no doubt that the people of Iraq will happily get rid of the scourge known by the entire world as Saddam Hussein. But it needs to be known that U.S. policy and if necessary, U.S. air power, support them.

Sooner or later the dictatorships of Iran and North Korea must remain to confront a choice, to live in peace with the world or to join Omar and his life on an ash heap of history. The President warned the other night of the "axis of evil," Iran, Iraq, North Korea and that he will not, as he put it, wait on events while dangers gather.

Mr. Secretary, you and the President have the full support of Congress and the American people whenever and wherever you back up that statement.

Now, Mr. Secretary, this is my final year in the Senate, and I do not intend that it be particularly idle. Several other issues beside the war on terrorism merit the immediate attention, in my judgment, of both the Congress and the administration.

Now then, first the next round of the NATO expansion should begin at the Prague summit in November. I see no reason why the most successful alliance in history should not incorporate the Baltic nations and other countries that share our values and goals and interests. And I think we must put aside the notion that Russia may soon have a veto over NATO's decisions as Lord Robertson, the NATO Secretary General rather foolishly, in my judgment, suggested.

Our new strategic relationship with Russia must be conducted in a manner to advance our national interests while promoting Democratic change in Russia. Today, Russia is selling missiles and nuclear technology to Iran, a charter member of the "axis of evil," and a country that poses, to quote President Bush, "a grave and growing danger to the United States."

Russia's war on the innocent people of Chechnya and Moscow's refusal to seek a negotiated settlement have resulted in more casualties than the Soviet Union's war in Afghanistan. The lawless environment of Chechnya is certain to become a breeding ground for terrorists.

And third, we must move beyond the outdated relics of the cold war such as the ABM Treaty that in no way, no way advances the security interests of the United States. We must stand firmly behind our intentions to build and deploy ballistic missile defenses.

The attacks of September 11 were devastating enough. We must do everything possible to make certain that any further attack will not be a nuclear one.

Fourth, we cannot forget our commitment to democracy and rule of law around the world, particularly here in our own Western

Hemisphere. In Latin America, the mistakes of nearly a decade of inattention are now apparent.

And finally, Mr. Secretary, I do hope that we can complete work on the State Department authorization bill consistent with the budget that our President put forward yesterday, a bill containing reform of the Foreign Service, revamping of United States broadcasting programming, while continuing to enhance security at all of our overseas facilities.

Again, we welcome you here. We always do. We always will.

The CHAIRMAN. Mr. Secretary, with your permission, I apologize for doing this. We will recess, take about probably 9 to 10 minutes to go over and vote and get back here and then we will be delighted and anxious to hear your statement.

Secretary POWELL. Of course, Mr. Chairman.

The CHAIRMAN. Recess for 10 minutes, or as much time as it takes us to get back from voting.

[Short recess.]

The CHAIRMAN. Thank you for your patience, Mr. Secretary and everyone else. We welcome any statement you have to make. Please go forward.

**STATEMENT OF HON. COLIN L. POWELL, SECRETARY OF
STATE, DEPARTMENT OF STATE, WASHINGTON, DC**

Secretary POWELL. Thank you very much, Mr. Chairman. I thank you for your cordial welcome. It is a great pleasure to be before the committee again and I do have a prepared statement which I have distributed to the members and the staff and I would like to offer for the record.

The CHAIRMAN. The entire statement will be placed in the record. Please proceed in any way you would like.

Secretary POWELL. Thank you very much, Mr. Chairman and Senator Helms, I thank you all for your gracious welcome. Sir, I know that you will be sprinting all the way through to the end of this, I have no doubt. But since this is probably my last opportunity to present a State Department budget to you as part of the President's budget, let me take this opportunity, sir, to thank you for all the support that you have provided to the Department, especially to our diplomats who are out there on the front line of offense, as I like to call it and also sir, if I can drift back to my earlier days, thank you for all the support you have provided to the men and women in uniform, our GIs who serve us so well. And Mr. Chairman, thank you for the personal support that you have given me going on some 15 years. I deeply appreciate it, sir. Thank you so much.

Mr. Chairman, I do have a statement that will go beyond just the crises of the day and try to lay out for you some of the opportunities that are out there. You captured it perfectly, Senator Biden, when you said there are seeds of opportunity. There are a lot of great things happening in the world right now. There are a lot of new opportunities that have been provided to us out of the crisis of the 11th of September, and other things that were going on before then that shows the impact that President Bush's leadership is having on the international environment. And as I go through

my presentation and talk about some of these opportunities, I will marry them up with the crises of the day as well.

I want to say a word, though, about something Senator Helms said. And that was the “axis of evil.” And it does have a familiar ring, Senator Helms. It occurred to me as well, the old “evil empire.” The fact of the matter is Ronald Reagan was right and the fact of the matter is George Bush is right. And as I go through my presentation, I hope that I will be able to demonstrate why these nations that he identified, and there are others in this category, I would submit, are deserving of this kind of designation.

But, at the same time, it does not mean that we are ready to invade anyone or that we are not willing to engage in dialog. Quite the contrary. But because we are willing to engage in dialog, and we are quite willing to work with friends and allies around the world to deal with these kinds of regimes, there is no reason for us not to identify them for what they are, regimes that are inherently evil. There are people that aren’t evil, but the governments that lead them are evil and clearly make this statement. And the more sure we are of our judgment, the better able we will be to lead the international coalition, lead nations who are like-minded in the pursuit of changes in the policies of these nations and it will make for a better and safer world for all of us. So I thank you for that comparison.

I might touch on something you mentioned also, Senator Helms, which is not in my prepared statement, or my reading statement, and that is the detainees at Guantanamo Bay and other detainees held in Afghanistan that may be headed toward Guantanamo Bay.

You are quite right, all of us in the administration are united in the view that they are not deserving of prisoner of war status. There is a question that we are examining and it is a difficult question and that is the legal application of the Geneva Convention.

This is a new kind of conflict. It is a new world. But at the same time, we want to make sure that everybody understands that we are a nation of law, abiding by our international obligations. And so we are examining very carefully and have been for a number of days now the exact applicability or lack of applicability to the Geneva Convention to the detainees. This is a decision the President will be making in the very near future.

Whether he finds one way or the other on this issue, the reality is that they will be treated humanely in accordance with the precepts of the convention because that is the kind of people we are. We treat people well. We treat people humanely, and you can be sure that is what’s happening with the detainees at Guantanamo and all others who are in the custody of the United States Armed Forces or other parts of the U.S. Government.

Mr. Chairman, I would like to begin my presentation by thanking you again for all of the support that this committee has provided to me and to the Department in my first year of stewardship. And let me begin once again by saying thank you for all the confirmations of appointees that you provided to me; 145 members of my team have passed through the committee’s confirmation process: I thank you, especially, for passing out Ambassador Frank Ricciardone to go to the Philippines yesterday evening. That was a very important signal to us.

As many of you will recall, in my first budget testimony last March, I said that I was going to break the mold and instead of just talking about foreign affairs, I wanted to focus on the financial condition of this Department, as well as the morale of the Department and the responsibilities that I have as chief executive officer of the State Department as well as chief diplomat of the United States.

I did that last year and I did do it again this year because the resource challenges for the Department of State had become and still remains a serious impediment for the conduct of the Nation's foreign policy. You heard that testimony last year and you responded and we are very grateful. Because of your understanding and generosity, we have made significant progress. In the remainder of the fiscal year 2002, we will make even more progress in new hires for the Foreign Service. We have made great strides.

We have doubled the number of candidates for the Foreign Service written exam. I'm very proud of the fact that we are communicating the message out to the young people of America that serving your Nation in the Foreign Service is a noble calling and something that all young people should consider as a career choice.

Moreover, I am very pleased that among the new recruits that we have attracted to the Foreign Service exam process, 17 percent of them are minorities. In African-Americans alone, we tripled the number of applicants for taking the exam, and I am very proud about that.

We are doing the same with the Civil Service. We are looking at the Department as a team, not just Civil Service officers, Foreign Service nationals, but all part of one great team that is bound together by trust and commitment to the foreign policy of the administration, the foreign policy of the American people.

We also want to make it a friendlier place to get into. When I took over last year, it was taking 27 months from the date somebody took the Foreign Service exam to get into the Foreign Service. It is now down to less than 1 year. So we have made that kind of progress in 1 year and I hope to make even greater progress to get it down to just a matter of months.

We are also well underway in bringing state-of-the-art information technology to the Department. We have an aggressive deployment schedule for our OpenNet system, which is a way of getting the Internet down on every single desktop in the Department of State. I want everybody to have access to each other and to the Internet, some 30,000 State users worldwide.

And we are also deploying our classified connectivity program at the same time. We want to make sure that we are in the forefront of technology in order to do our job better. In right-sizing our facilities and shaping up and bringing smarter management practices to our overseas building program, we are moving forward briskly as well.

I heard from Congress that we had to do a better job on embassy construction, bringing more modern business practices into the construction and refurbishing of our embassies. And you all know that General Chuck Williams, who I brought on board to do this, is hard at work and is doing a terrific job in making sure that we have a master plan. We do have a master plan that takes us all the way

through 2007 and I am very pleased with the progress that we are making.

I am also very pleased to report that I think the morale of the Department is on the upswing. We have focused on families. We have focused on security. We have focused on putting people back into the ranks. For a couple of years in the 1990's, we did not even recruit people for the Foreign Service. You cannot do that. You put an air bubble in the system. But now as a result of your generosity and as a result of the request that I hope you will respond to that I am making this year for more people for the Foreign Service, another 400 positions, I think that will help to improve morale.

The people in the Foreign Service now know that everybody cares about them. The administration, the Department, and the Congress.

Just as an aside, Senator Biden, I know you and some of your colleagues were in Kabul. I hope you had a chance when you were around our embassy, which is now reopened, to talk to some of those Foreign Service Nationals, an often misunderstood part of our family team. These are those wonderful foreigners who work in our embassies.

In the case of Kabul, after we were driven out and had to leave, those Foreign Service Nationals stayed there and they took care of that building. It got banged up a little bit, but when we went back in a couple of months ago, it was pretty much intact. And one of the funny stories is that in the basement—

The CHAIRMAN. Except for the plumbing.

Secretary POWELL. But in the basement of the building, we discovered that all of the automobiles that had been left there were there in perfect condition. All we had to do was charge the batteries and they all started. So through all that period of the Taliban, those cars were there. As our Chargé, Ron Crocker, said to me, we have the finest fleet of 1985 Volkswagen Passats in the world, and there they all were lined up ready for inspection.

The CHAIRMAN. By the way Ron and his wife and that staff not only do the normal duties, they sweep, they physically themselves clean, they wash the dishes. I mean, it is incredible what that job, what your team is doing there.

Secretary POWELL. The team is marvelous, and Mr. Chairman, you all travel a lot. It is reflective of the kind of people we have at all of our missions and stations overseas and that is why it is so important we let them know we believe in them and we trust them.

With regard to our budget last year, I told you that the out years were a source of concern to me and they still are. In fact, given the cost of the war on terrorism, the downturn of the economy and the accompanying shrinkage of revenues I am even more concerned this year than last, but I was confident last year that I could make the case for the State Department and I am confident that I can do it again this year.

We need to keep the momentum going. That is why for fiscal year 2003 you will get no break from me. I am going to focus on resources again this year because it is so critical that we continue to push the organization and conduct of America's foreign policy

into the 21st century. So let me deal with the resources requested using my CEO hat before turning to foreign policy.

The President's request for the Department of State and related agencies for 2003 is \$8.1 billion in our operating accounts. These dollars will allow us to continue initiatives to recruit, hire, train and deploy the right work force. It will help us to continue to upgrade and enhance our worldwide security readiness, even more important in light of our success in disrupting and damaging the al-Qaeda terrorist network.

The budget request will include \$553 million that builds on the funding provided from the emergency response fund of the increased hiring of security agents and for counterterrorism programs.

The budget will also continue to upgrade the security of our overseas facilities. The request includes \$1.3 billion to improve physical security, correct serious deficiencies that still exist and provide for security-driven construction of new facilities at high-risk posts around the world.

It will also allow us to continue our program to provide state-of-the-art information technology to our people everywhere. And it will allow us to build an aggressive public diplomacy effort to eliminate support for terrorists and thus deny them safe haven.

We have got to do a better job with the message we do to the world. The budget includes \$518 million for international broadcasting, of which \$60 million will be dedicated to the war on terrorism. This funding will enable the Voice of America and Radio Free Europe/Radio Liberty to continue increased media broadcasts to Afghanistan and the surrounding countries and especially throughout the Middle East.

And let me say a little bit more about that. The terrorist attacks of September 11 underscored the urgency of implementing an effective public diplomacy campaign. Those who abet terror by spreading distortion and hate and inciting others take full advantage of the global news cycle. And we have to do the same thing.

Since September 11, there have been over 2000 media appearances by State Department officials. Our continuous presence in Arabic and regional media by officials with language and media skills has been unprecedented. Our international information Web site on terror is now on line in seven languages. Internet search engines show it is the hottest page on the topic. Our 25-page color publication, "The Network of Terrorism," is now available in 30 languages with different adaptations all around the world, including a full insert in the Arabic edition of Newsweek. "Right content, right format, right audience, right now" describes the philosophy we will be applying to our overseas public diplomacy efforts.

All of these State Department and related agencies programs and initiatives that I have just touched on the surface of are critical to conduct America's foreign policy. And some of you know my feelings, I am quite sure, about the importance or the success of any enterprise of having the right people in the right places. And if I had to put one of these priorities at the very pinnacle of our efforts, it once again would be recruiting.

So as I indicated earlier, we are going to sustain the strong recruiting program we began last year. We want to get to the point

where our people can undergo training without being pulled out of jobs because we have a float in our personnel system for people to go off to be trained and so I think that we have been successful in the first year in our stewardship of the Department. And I hope that you see the same thing, your staffs see the same thing, and we can enjoy your continued support this coming year and the years ahead.

Mr. Chairman, I now want to talk about foreign policy. And I will talk about it in the usual terms and the regional setting in talking about specific countries. But I hope as I do this, you will see it in a broader tapestry, the tapestry of the growth of democracy around the world, the impact that market economic principles are having around the world as more and more nations understand that this is the direction in which they must move. I hope you will see it in terms of more and more nations, notwithstanding the terrible crises that still exist and the horrible regimes that are still in place.

Nevertheless, more and more nations are understanding the power of the individual. When you empower an individual man and woman with the opportunity to reach the heights of possibility limited only by their own willingness to work and ambition, and not by the political system in which they are trapped or in which they are living, so many wonderful things have happened. So as I get into the eachs, let us not forget the power of the whole, the power of democracy and the power of the free enterprise system.

Let me begin, sir, by talking about Russia. One of the major items on my agenda over almost every single day has to do with Russia. President Bush in his conduct of our foreign policy with Russia has defied some of our critics and he has structured a very strong relationship. The meetings that he has had with President Putin and the dialog that is taking place between Russian Foreign Minister Ivanov and me and between Secretary Rumsfeld and his counterpart at a variety of other levels have positioned the United States for a strengthened relationship with Russia, the land of eleven time zones. The way that Russia responded to the events of September 11 was reflective of this positive relationship.

Russia has been a key member of the anti-terrorist coalition. It has played a crucial role in our success in Afghanistan by providing intelligence, bolstering the Northern Alliance and assisting our entry into Central Asia. As a result we have seriously eroded the capabilities of a terrorist network that posed a direct threat to both of our countries.

Just an illustration of how things have changed, a year or so ago when I first came into office, there was a bit of tension between me and my Russian colleagues over what the United States might or might not be doing in Central Asia. After September 11, after we coordinated with one another, after we had such a successful 9 or 10 months of dialog of building trust between the two administrations, things changed so radically. So much so that when my colleague, Foreign Minister Ivanov a few weeks ago was asked on television, Igor, why are you cooperating with the Americans in Central Asia, they are the enemy, aren't they?

Foreign Minister Ivanov said no, you are wrong, the enemy is terrorism. The enemy is smuggling. The enemy is extremism. The

enemy are all these other transnational threats. We are now allied with the United States in fighting these kinds of enemies. And we will find a way to move forward in cooperation.

It is this kind of most dramatic change that I think is one of the seeds of opportunity that Senator Biden talked about, and as we go forward in this next year, we are not going to let this seed be trampled out. We are going to continue working with Russia and with the countries in the region to structure a new relationship that will bring stability to the region and provide opportunities for peace and democracy and economic reform.

Similarly, the way we agreed with Russia to disagree on the ABM Treaty reflects the intense dialog we had over the 11 months before we had that decision, a dialog in which we told the Russians where we were headed. We said to them clearly, we are going forward to achieve missile defense. We are going to have missile defense, and we can work together. And if we cannot work together, then we will have to agree to disagree. We did not just pull out of a treaty on a whim. We spent time exploring opportunities with them, exploring options with them. But we made it clear where we were going, and we asked them is there a way we could do this together to go forward.

At the end of the day, we agreed to disagree and we notified Russia that we were going to withdraw from the ABM Treaty. I notified Foreign Minister Ivanov that we were going to make this decision, I went to Moscow and sat in the Kremlin with President Putin and described to him how we would unfold this decision so that he was ready for it and he could respond in an appropriate way in accordance with his national interest. President Bush talked to President Putin about it and then at the end of the day, we made our announcement.

To the surprise of a number of people, an arms race has not broken out and there is not a crisis in U.S.-Russia relations. In fact, their response was: we disagree with you. We think you made the wrong choice, but you have made that choice and now that disagreement is behind us. Our strategic relationship is still important. It is vital, and we will continue to move forward. And I think this is an indication of a mature relationship with Russia and especially a positive relationship between the two Presidents, President Bush and President Putin.

Both Presidents pledged to reduce further the number of their offensive nuclear weapons and we are hard at work on an agreement to record these mutual commitments. This is all part of the new strategic framework with Russia.

To your point, Senator Biden, Mr. Chairman, we do expect that as we codify this framework, it will be something that will be legally binding and we are examining different ways in which this can happen. It can be an executive agreement that both Houses of Congress might wish to speak on, or it might be a treaty. We will explore it with Russia and we will discuss it within the administration the best way to make this a legally binding or codified agreement in some way.

We even managed to come to an agreement in how we are going to work through NATO. We are now developing mechanisms for pursuing joint Russia-NATO consultations in actions at 20 on a

number of concrete issues. Our aim is to have these mechanisms in place for the Foreign Ministers' ministerial meeting in Reykjavik in May. And as we head for the NATO summit in Prague in November, where the expansion of the alliance will be considered, I believe we will find the environment for the continued expansion of NATO a great deal calmer than we might have expected.

And, Senator Helms, I just might mention that as we talk about NATO at 20, and as we talk about the expansion of the alliance, it will all be done without Russia having any veto about what NATO might do at 19 or what the alliance will do in determining who should be allowed into the alliance.

Russians understand this perfectly. But at the same time, we are responsive to their concerns and we are trying to meet those concerns. That is what you would expect to do with somebody you are now calling a partner and not an enemy.

We will defend our interests and we will defend the interest of our alliance. But we want to work with a new partner, the Russians, who increasingly want to be drawn and are attracted and want to be integrated in the West in a way that fits the mutual interests of both sides.

I believe the way we handled the war on terrorism, the ABM Treaty, nuclear reductions, and NATO is reflective of the way we will be working together with Russia in the future.

Building on the progress we have already made will require energy, goodwill, and creativity on both sides as we seek to resolve some of the tough issues on our agenda. We have not forgotten about Russian abuse of human rights and we raised issues with them. We raise Chechnya at every opportunity. We raise freedom of the press at every opportunity. We raise proliferation activities to countries such as Iran or Russian intransigence with respect to the sanctions policy for Iraq. And there has been considerable progress on that issue and we can discuss that in greater detail when we get to the question and answer period with respect to moving to smart sanctions.

Neither have we neglected to consider what the situation in Afghanistan has made plain for all of us to see. How do we achieve that more stable security situation in Central Asia? In fact, the way we are approaching Central Asia is symbolic of the way we are approaching the relationship between us and Russia as a whole, and the growing trust between our two countries. Issues that used to be sources of contention are now sources of cooperation and we will continue to work with the Russians, as I indicated earlier, to make sure that the seeds that Senator Biden alluded to are landed in fertile ground, get the nutrition they need and blossom in a positive direction.

Mr. Chairman, we have also made significant progress in our relationship with China. We moved from what was a very volatile situation in April, when a reconnaissance plane was brought down over Hainan Island, and people were concerned that this would be such an obstacle that we wouldn't be able to go forward and things would not work out.

As it turned out, things did work out. We were able to recover our crew rather quickly and the plane came back not too long after that and both countries were interested in getting this incident be-

hind us. And I think you saw as a result of the trip I took to China in the summer, but most importantly President Bush's trip to the APEC meeting in Shanghai in October, and the subsequent meeting between President Jiang Zemin and President Bush at that APEC summit, showed that the relationship was back on an improving track.

There are certain shared interests that we have with China and we have emphasized those shared interests. They are regional and global interests such as China's accession to the WTO, stability on the Korean Peninsula and combating the scourge of HIV/AIDS. On such issues as we can talk and we can produce constructive outcomes.

There are other interests where we decidedly do not see eye-to-eye such as on arms sales to Taiwan, human rights, religious freedom, and missile proliferation. On such issues, we can have a dialog and try to make progress, but we do not want the issues where we differ to constrain us from pursuing those where we share common goals, and that is the basis upon which our relations are going rather smoothly at present, that and counterterrorism.

President Jiang Zemin was one of the first world leaders to call President Bush and offer his sorrow and condolences for the tragic events of September 11. And in the almost 5 months since that date, China has helped in the war against terrorism. Beijing has also helped in the reconstruction of Afghanistan and we hope will help even more in the future.

Moreover, China has played a constructive role in helping us manage, over these past few weeks, the very dangerous situation in South Asia between India and Pakistan.

When I could call the Foreign Minister of China, Mr. Tang, and have a good discussion, making sure that our policies were known and understood, it made for a more reasoned approach to what was a volatile situation between India and Pakistan. As a result, China supported the approach that the rest of the international community had taken. Beijing was not trying to be a spoiler, but instead was trying to help us alleviate tensions and convince the two parties to scale down their dangerous confrontation, which now it appears they are trying very hard to do.

So it is a case where this so-called coalition that has been formed has a utility far beyond terrorism in Afghanistan. We are just talking to each other a lot more. We are finding other areas in which we can cooperate and the India-Pakistan crisis was one of them.

All of this cooperation, however, came as a result of our careful efforts to build a relationship over the months since the reconnaissance plane incident. We never walked away from our commitment to human rights and nonproliferation or religious freedom. And we never walked away from the position that we do not think the Chinese political system is right for the 21st century. We do not. But we, at the same time, are anxious to engage and we continue to tell the Chinese that if their economic development continues apace and the Chinese people see the benefits of being part of a world at rest in the rule of law, we can continue to work together constructively.

A candid, constructive, and cooperative relationship is what we are building with China; candid where we disagree, constructive

where we can see some daylight and cooperative where we have common regional, global, or economic interests.

These are the principles that President Bush will take with him to Beijing later this month when he meets again with President Jiang Zemin.

As we improved our relationships with China, we also reinvigorated our bilateral alliance with Japan, Korea and Australia. Nowhere has this been more visible than the war on terrorism, where cooperation has been solid and helpful from all of our Pacific and Asian allies and friends.

Prime Minister Koizumi of Japan immediately offered Japan's strong support within the confines of its constitution and he is working carefully to enhance Japan's capability to contribute to such global and regional actions in the future. Always the linchpin of our security strategy in East Asia, the U.S.-Japan Security Alliance now is as strong a bond between our two countries as it has been in a half century of its existence. Our shared interests, values and concerns, plus the dictates of regional security, make it imperative that we sustain this renewed vigor in our key Pacific alliance, and we will.

With respect to the peninsula, our alliance with the Republic of Korea has also been strengthened by Korea's response to the war on terrorism and by our careful analysis of and our consultations with the South Koreans on where we needed to take the dialog with North Korea. President Bush has made it clear we are dissatisfied with the actions of North Korea, that they continue to develop and sell missiles that can carry weapons of mass destruction. But both we and the Republic of Korea are ready to resume dialog with Pyongyang on this or any other matter at any time North Koreans decide to come back to the table. The ball is in their court.

We conducted our review last year. When that review was finished in the summer, I communicated to the North Koreans and communicated to our South Korean friends that the United States was ready to talk any time, any place, anywhere without any preconditions with North Korea.

North Korea has chosen not to respond. North Korea has chosen to continue to develop missiles, although they comply with the moratorium that they placed upon themselves and they stay within the KEDO agreement as we do. But nevertheless, their actions have not been responsible and their people are still starving and we are helping to feed those people.

So while we are open to dialog, I see no reason that we should not call it the way it is, and refer to them by the terms that are appropriate to their conduct and to their behavior and those of us who are in the business of dealing with North Korea realize it is a very, very difficult account. At the same time, we are waiting for them to come out and realize that a better world awaits them if only they would put this horrid past behind them.

Other friends in the region have also been forward leaning and I could list all of them but just let me say that our Australian friends in particular have been forward-leaning in their efforts to support the war on terrorism. Heavily committed in East Timor already, Australia nonetheless offered its help immediately and we

have been grateful for that help. The people of Australia are indeed some of America's truest and most trusted friends.

As I look across the Pacific to East Asia I see a much improved security scene and I believe that President Bush and his interest in Asia and the Pacific region deserves a great deal of credit for this success.

Let me turn for a moment, Mr. Chairman and members of the committee, to Europe, where I think there has been a great deal of success in our relations over the last year. In waging war together on terrorism, our cooperation with Europe has grown stronger.

NATO invoked Article 5 for the first time ever on September 12, the day after the events of September 11. Since then, the European Union has moved swiftly to round up terrorists, close down terrorist financing networks, and improve law enforcement and aviation security cooperation.

President Bush has made it clear that even as we fight the war on terrorism, we will not be deterred from achieving the goal we share with the Europeans of a Europe whole, free and at peace. We continue to work toward this goal with our allies and partners in Europe. While in the Balkans there remains several challenges to achieving this goal, we believe we are meeting those challenges. We have seized war criminals and helped bring about significant changes in government in Croatia and Yugoslavia. Our military forces are partnered with European forces in Kosovo and Bosnia to help bring stability and self-governance while European led action fosters a settlement in Macedonia. We need to finish the job in the Balkans, and we will. And we went in together and we will come out together.

I also believe we have been successful in bringing Europeans to a calmer level of concern with respect to what many had labeled in Europe as unbridled U.S. unilateralism. Notwithstanding the reaction we have seen to the President's State of the Union Address last week, I still believe that is the case. We spend an enormous amount of our time consulting with our European and other friends. It is a priority for the President. He met with Chancellor Schroeder last week. I don't even want to count the number of European Ministers I have been in touch with over the last week or so.

But beyond Europe, we have been in constant touch with Foreign Ministers around the world, Defense Ministers around the world. The President is readily available for leaders who come to this country. We believe in consultation, but we also believe in leading. We believe in multilateralism, but we also believe in sticking up for what we believe is right, and not sacrificing it just on the alter of multilateralism for the sake of multilateralism.

Leadership is staking out what you believe in and coalition leading means leading, and that is what this President does. And I think he does it very, very well. And he demonstrated it in Europe last year, beginning with his speech in Warsaw, talking about a Europe whole and free; his participation in G-8 meetings and the U.S.-European summit and the European summit; our extensive consultations with respect to the new strategic framework with Russia; and culminating in the brilliant way in which the President

pulled together the coalition of terrorism. I believe we demonstrated to the world that we can be decisively cooperative when it serves our interest and the interest of the world.

We have also demonstrated that when it is a matter of principle, we will stand on that principle whether it is universally applauded or not.

I think we have been very successful. Let me note also that this sort of principled approach characterized our determined effort to reduce the threat of weapons of mass destruction, an effort well underway before the tragic events of September 11 added even greater urgency.

We and the Russians will reduce our deployed nuclear weapons. In the meantime, along with our friends and allies, we are going to go after proliferation. We are going to make sure that we do everything possible to cutoff the kinds of technologies that rogue nations are using to threaten the world.

The principled approach that we take does not equate to no cooperation. Quite the contrary. We are ready to cooperate, not just with our European friends, but also with our Asian friends, and we are quite prepared to cooperate and anxious to cooperate in even broader form.

We are looking forward to the World Summit on Sustainable Development in Johannesburg later this year. There we will have an opportunity to talk about all kinds of transnational issues, good governance, protection of our oceans, fisheries and forests and how best to narrow the gap between the rich countries and the poor countries of the world.

And that also allows me then to turn to Africa where this summit will be held next September. We have crafted a new and more, I think, effective approach to Africa, the success of which was most dramatically demonstrated in the WTO deliberations in Doha last November that led to the launching of a new trade round. The United States found its position in these deliberations being strongly supported by the developing countries, most notably those from Africa.

You may have some idea of how proud that makes me as the American Secretary of State, proud of this country, proud of this Congress for its deliberate work to make this possible. The Congress laid the foundation for our efforts with the African Growth and Opportunity Act, an historic piece of legislation with respect to the struggling economies in Africa.

In the first year of implementation of this act, we have seen substantial increases in trade with several countries: South Africa, by 11 percent; Kenya 21 percent; Lesotho 51 percent, and Madagascar, a whopping 117 percent, all based on the first three quarters of 2001 compared to the same period of 2000.

Likewise, we are very pleased with the excellent success we had with the first U.S. Sub-Saharan Africa Trade and Economic Cooperation Forum, which was held last October.

A large part of our approach to Africa and to other developing regions and countries will be a renewed and strengthened concern with progress toward good governance as a prerequisite for development assistance. Where conditions are favorable, where the rule of law is in place, where there is transparency in their economic

and financial systems, then we will encourage investment. We will encourage companies to take a look at those nations that are moving in the right direction.

Agriculture, of course, is the background of Africa's economies and we are working with them to revitalize their agricultural sector in an open system in order to reduce hunger and to lift the rural majority out of poverty. Fighting corruption, good governance, getting rid of debt, getting rid of those despotic regimes and individuals who hold their people back, all of this is part of our agenda.

The people of Africa know in many cases their governments do not deliver the health care, transportation and other systems that they need to be successful in the 21st century. And our policies toward these countries will be to put them on the right path, move them in the right direction and allow their people to enjoy the benefits that come from democracy and economic freedom.

We also know that especially in Africa, none of this potential success is possible if we do not do something about HIV/AIDS. It's destroying families, destroying societies, destroying nations. That is why I am pleased to report that pledges to the Global Fund to fight AIDS, tuberculosis and malaria now exceed \$1.7 billion and continues to grow. Soon the fund is expected to accept proposals and begin disbursing money. And we will continue to support that with additional contributions.

Mr. Chairman, we have also, I think, had some success in our own hemisphere from the President's warm relationship with Mexico's President Fox, to the Summit of the Americas in Quebec last spring to the signing of the Inter-American Democratic Charter in Lima, Peru, to our ongoing efforts to create a free trade area of the Americas. All of this suggests to me that we are moving in the right direction in our hemisphere, even though there are difficult problems in Argentina, Colombia, Venezuela, and other places that are of concern to us.

We need to keep democracy and market economics on the march in Latin America and we need to do everything we can to help our friends dispel some of the dark clouds that are there. Our Andean counter-drug initiative is aimed at fighting the illicit drugs problem while promoting economic development and human rights and democratic institutions in Colombia and among its Andean neighbors.

For our Caribbean neighbors, the situation has gotten worse as a result of September 11. Lower growth, decreased tourism, increased unemployment, decreased tax revenue and decreased external financial flows. This economic decline is also affected by increasing rates of HIV/AIDS. I will be going to the Caribbean later this week to meet with the Foreign Ministers of the Caribbean to talk about these problems and to also talk about President Bush's Third Border Initiative, which seeks to broaden our engagement with our Caribbean neighbors based on recommendations of the region's leaders on the areas most critical to their economic and social development.

The Third Border Initiative is centered on economic capacity building and on leveraging public/private partnerships to help meet the region's pressing needs.

At the end of the day, it is difficult to exaggerate what we have at stake in our own hemisphere. Political and economic stability in our own hemisphere and our own neighborhood reduces the scale of illegal immigration coming to the United States, drug trafficking, terrorism, and economic turmoil. It also promotes the expansion of trade and investment. So we must remain engaged in our own hemisphere.

I have touched on some of the dark clouds that are on our foreign policy horizon, but let me focus on one or two areas that are especially distressing.

The Middle East, of course, is the one that is uppermost on my mind and the minds of most of us here in the room. With respect to the tragic confrontation between Israel and the Palestinians, I want you to know that we will continue to try and focus the parties on the need to walk back from violence, to find a political solution. Our priorities have been and will remain clear, ending the violence and terror through establishment of an enduring cease-fire and then move forward along the path outlined in the Tenet Security Workplan and the Mitchell Report recommendations agreed to by both sides and supported by the international community. This forward movement would ultimately lead to negotiations on all of the issues that must be resolved between the two parties.

The Israelis and the Palestinians share a common dream, to live side by side in genuine, lasting security and peace in two states, Israel and Palestine, with internationally recognized borders. We share that vision. The President spoke to that vision in his speech at the U.N. last fall and I gave more form to that vision in the speech that I gave in Louisville.

Even though things have not gone well in recent weeks, we cannot walk away from it. We must not become frustrated or yield to those who would have us turn away from this conflict or from this critical region. As the President has said, the United States has too many vital interests at stake to take such a step, and one of those vital interests is the security of Israel.

A positive vision will not be realized, however, as long as violence and terror continue. The President and I and General Zinni have been unequivocal with Chairman Arafat. The Palestinian people will never see their aspirations achieved through violence. Chairman Arafat must act decisively to confront the sources of terror and choose, once and for all, the option of peace over violence.

He cannot have it both ways. He cannot engage with us and others in the pursuit of peace and at the same time commit or tolerate continued violence and terror. I have made it clear to Chairman Arafat and to his associates that the smuggling of arms to the Palestinian authority by Iran and Hizbollah aboard the *Karine A* is absolutely unacceptable. Chairman Arafat must ensure that no further activities of this kind ever take place and he must take swift action against all Palestinian officials who are involved. He knows what he must do. Actions are required, not just words, if we are to be able to move forward.

Israel must act as well. Prime Minister Sharon has spoken of his desire to improve the situation of life for Palestinian civilians confronted with the disastrous economic situation and suffering daily. We have urged the Israeli Government to act in ways that help

ease these hardships and avoid further escalation or complicate efforts to reduce violence.

Difficult as the present circumstances are, the United States will remain engaged. But, in the end, Israel and the Palestinians must make the hard decisions necessary to resume progress toward peace.

With regard to another trouble spot that occupies much of our attention—Iraq—that country remains a significant threat to the region's stability. We are working at the U.N. and elsewhere to strengthen international controls.

We stopped the free fall of the sanctions regime. We got the Security Council back together. We are working hard to come up with the smart sanctions that we think are appropriate and we will not stop in that effort. I am confident, very confident that by the end of this 6-month sanctions period, we will be able to implement smart sanctions in a way that all members of the Security Council will be able to abide with.

There is reporting this morning that the Iraqi regime has asked the U.N. to have a discussion. It should be a very short discussion. The inspectors have to go back in under our terms, under no one else's terms, under the terms of the Security Council resolution. The burden is upon this evil regime to demonstrate to the world that they are not doing the kinds of things we suspect them of. And if they are not doing these things it is beyond me why they do not want the inspectors in to do whatever is necessary to establish that such activities are not taking place.

With regard to Iran, we have a long-standing list of grievances, but at the same time, we have been in conversation with Iran. We take note of the positive role they played in the campaign against al-Qaeda and the Taliban. We take note of the contribution they have made to Afghanistan's reconstruction efforts. But we also have to take note of their efforts with respect to the ship, the *Karine A*. We have to take note of some of the things some parts of the Iranian Government are doing in Afghanistan which are not as helpful as what other parts of the Iranian Government are doing.

We have to take note of the fact that they are still a state sponsor of terrorism. So we are ready to talk, but we will not ignore the reality that is before our eyes. Those who got so distressed about the President's strong statement ought to not be looking in our direction; they ought to be looking in the direction of regimes such as Iran, which conduct themselves in this way.

I might just touch very briefly, Mr. Chairman, on the standoff between India and Pakistan. It is of concern to us, but I am pleased that both nations remain committed to finding a peaceful solution to this crisis, and we will continue to work with them. I visited there a few weeks ago and had positive discussions with both sides. And both sides have made it clear to me then and in their actions since, that they are trying to move forward to find a diplomatic solution.

President Musharraf gave a very powerful speech that put his country on the right path, and I hope he will continue to take action to reduce incidents over the line of control, and round up terrorist organizations and do it in a way that will give India con-

fidence that they are both united in a campaign against terrorism, and not let it degenerate into a campaign against each other.

Mr. Chairman, I think you are aware of what we have been doing in Afghanistan. I do not need to belabor the point. We should be so proud of our men and women in uniform who fought that campaign with such skill and efficiency. And now the task before us is to make sure that we help the people of Afghanistan and the new authority of Afghanistan get the financial wherewithal they need to start building hope for the people of Afghanistan, and to bring reality to that hope.

I was pleased that as one of the co-chairs of the Tokyo reconstruction conference, the conference was able to come up with \$4.5 billion to be disbursed over a period of 5 years which will get the country started. The big challenge facing Mr. Karzai and his colleagues is the challenge of security, providing a secure environment throughout the country so that the reconstruction effort can begin.

With respect to our continued campaign against terrorism, I think the President has spoken clearly. We will continue to pursue terrorism. We will pursue al-Qaeda around the world. We will go after other terrorist organizations and we will deal with those nations that provide a haven or a harbor for terrorists and we will not shrink from this. We have the patience for it, we have the persistence for it, and we have the leadership for it.

Mr. Chairman, in my prepared statement you have the various details of budget items and since I have gone on quite a bit, I do not want to belabor it any longer. But I just wanted to take the time that I did to show that there is a lot more going on than just what we read about in the daily papers on a particular crisis.

We have forged good relations with Russia and China and we have solid relations with the Europeans. We have solid relations with our allies in the Pacific-Asia region. We are working the problems with Africa and our own hemisphere.

There is no part of the world that we are not interested in. We are a country of countries. We are touched by every country and we touch every country and we have a values-based foreign policy that rests on principle, and it is principle that is founded in our value system of democracy, the free enterprise system, the individual rights of men and women.

We seek no enemies. We seek only friends. But we will confront our enemies and we will do it under what I believe is a solid, dedicated persistent leadership of the man who heads the foreign policy of the United States, President George W. Bush. Thank you, sir.

[The prepared statement of Secretary Powell follows:]

PREPARED STATEMENT OF HON. COLIN L. POWELL, SECRETARY OF STATE

Mr. Chairman, members of the committee, I am pleased to appear before you to testify in support of President Bush's budget request for FY 2003.

Before beginning, I want to thank you for confirming almost all of the nominees for the State Department. They are now hard at work.

Of those who remain to be confirmed, our ambassador-designate to the Philippines is of particular concern to me. We need Frank Ricciardone in Manila and we need him there as soon as possible. Not only have we not had an ambassador there in over eighteen months, it is now an even more crucial requirement as we scale up our assistance in helping President Arroyo combat the terrorists in her country. So, Mr. Chairman, I ask for your help in getting Frank confirmed, and in getting the remainder of our people to work as well.

I also ask that you help me get the FY 2002/2003 State Department Authorization bill passed as quickly as possible and that it include full authorization of our budget request for FY 2003, that it lift the cap on UN Peacekeeping dues, allow us to pay the third tranche of UN arrears with no additional strings attached, and include the management authorities we have requested. Moreover, I would also be grateful for your help in removing from the final bill the foreign policy restrictions, earmarks, and reporting requirements that tie the Department's hands.

And let me say here at the outset, Mr. Chairman, before I go into the details of the budget and our foreign policy, that President Bush has two overriding objectives that our foreign policy must serve before all else. These two objectives are to win the war on terrorism and to protect Americans at home and abroad. This Administration will not be deterred from accomplishing these objectives. I have no doubt that this committee and the Congress feel the same way.

As many of you will recall, at my first budget testimony last March I said I was going to break the mold and instead of talking exclusively about foreign affairs, I was going to focus on the financial condition of the Department—both in terms of State Department operations and in terms of foreign operations. I did that because the resources challenge for the Department of State had become a serious impediment to the conduct of the nation's foreign policy. And you heard my testimony and you responded, and we are grateful.

Because of your understanding and generosity, we have already made significant progress and in the remainder of FY 2002 we will make more. In new hires for the Foreign Service, we have made great strides. For example, we doubled the number of candidates for the Foreign Service Written Examination—and this year we will give the exam twice instead of just once. Moreover, our new recruits better reflect the diversity of our country with nearly 17% of those who passed last September's written exam being members of minority groups. We have also improved Civil Service recruitment by creating new web-based recruiting tools. And once we identify the best people we bring them on more quickly. For Foreign Service recruits, for instance, we have reduced the time from written exam to entry into service from 27 months to less than a year. We are also working with OMB to create extensive new performance measures to ensure that we are hiring the very best people.

We are also well underway in bringing state-of-the-art information technology to the Department. We have an aggressive deployment schedule for our OpenNet Plus system which will provide desktop Internet access to our unclassified system for over 30,000 State users worldwide. We are deploying our classified connectivity program over the next two years. Our goal is to put the Internet in the service of diplomacy and we are well on the way to accomplishing it.

In right-sizing our facilities and in shaping up and bringing smarter management practices to our overseas buildings program, we are moving forward briskly as well—as many of you are aware because General Chuck Williams has been keeping you informed about our progress. In fact, that is the first change we made, putting General Williams in charge and giving him assistant secretary equivalent rank. His Overseas Building Operations (OBO) has developed the Department's first long-range plan, which covers our major facility requirements through Fiscal Year 2007.

The OBO has also developed a standard embassy design concept for small, medium, and large embassies. This concept will reduce cost while speeding up construction and enhancing quality. And in making all of our facilities, overseas and stateside, more secure, we are also making good headway. By the end of FY 2002, over two-thirds of our overseas posts should reach minimal security standards, meaning secure doors, windows, and perimeters. And we are making progress in efforts to provide new facilities that are fully secure, with 13 major capital projects in design or construction, another eight expected to begin this fiscal year, and nine more in FY 2003.

I am also pleased that we have been able to improve the morale of our State Department families. We are especially proud of our interim childcare center at the National Foreign Affairs Training Center. It opened on September 4 and can handle a full complement of 30 infants and toddlers.

The idea of family and the quality of life that must always nourish that idea even in the remotest station, is uppermost in our minds at the Department. While we concentrate on the nation's foreign affairs we must also focus on caring about those Americans who conduct it, as well as the many thousands of Foreign Service Nationals who help us across the globe. For example, our sixty Afghan employees in Kabul worked diligently to maintain and protect our facilities throughout the 13 years the Embassy was closed. They worked at considerable personal risk and often went months without getting paid. They even repaired the chancery roof when it was damaged by a rocket attack. This is the sort of diligence and loyalty that is typical of our outstanding Foreign Service Nationals.

With regard to our budget, last year I told you that the out years were a source of concern to me—and they still are. In fact, given the costs of the war on terrorism, the downturn in the economy and accompanying shrinkage of revenues, I am even more concerned this year than last. But I was confident last year that I could make the case for State and I am confident this year that I can do so. We have a solid case to make, and it is the case of how we best pursue America's interests and there is no doubt in this old soldier's mind that foreign policy stands foremost among the answers to that "how." And Mr. Chairman, I am excited about the changes we've made and the momentum we've developed.

We need to keep that momentum going. That is why for FY 2003 you will get no break from me. I am going to focus on resources again this year in my testimony, because it is so critical that we continue to push the organization and conduct of America's foreign policy into the 21st Century.

Since that heart-rending day in September when the terrorists struck in New York, Virginia, and Pennsylvania, we have seen why our foreign policy is so important.

We have had great success over the past five months in the war on terrorism, especially in Afghanistan. And behind the courageous men and women of our armed forces has been the quiet, steady course of diplomacy, assisting our military's efforts to unseat the Taliban government and defeat the al-Qaida terrorists in Afghanistan.

We've reshaped that whole region—a new U.S.-Pakistan relationship, a reinvigorated U.S.-India relationship, a new Interim Authority in Kabul, the Taliban gone, and the terrorists dead, in jail, or on the run. We are also forming important new relationships with the nations of Central Asia.

In his second visit to the Department last year, President Bush told us that despite the great tragedy of September 11, we could see opportunities through our tears—and at his direction, the Department of State has been at flank speed ever since, making as much as possible of those opportunities.

And we need to continue to do so and for many years to come. We will need resources to do it, so first let me focus on my "CEO dollars", and then I will turn to foreign policy.

THE BUDGET PRIORITIES FOR FY 2003: DEPARTMENT OF STATE AND RELATED AGENCIES

The President's request for the Department of State and Related Agencies for FY 2003 is \$8.1 billion. These dollars will allow us to:

- Continue initiatives to recruit, hire, train, and deploy the right work force. The budget request includes \$100 million for the next step in the hiring process we began last year. With these dollars, we will be able to bring on board 399 more foreign affairs professionals and be well on our way to repairing the large gap created in our personnel structure and, thus, the strain put on our people by almost a decade of too few hires, an inability to train properly, and hundreds of unfilled positions. In FY 2004, if we are able to hire the final 399 personnel, we will have completed our three-year effort with respect to overseas staffing—to include establishing the training pool I described to you last year that is so important if we are to allow our people to complete the training we feel is needed for them to do their jobs. Soon, I will be back up here briefing you on the results of our domestic staffing review.
- Continue to upgrade and enhance our worldwide security readiness—even more important in light of our success in disrupting and damaging the al-Qaida terrorist network. The budget request includes \$553 million that builds on the funding provided from the Emergency Response Fund for the increased hiring of security agents and for counterterrorism programs.
- Continue to upgrade the security of our overseas facilities. The budget request includes over \$1.3 billion to improve physical security, correct serious deficiencies that still exist, and provide for security-driven construction of new facilities at high-risk posts around the world.
- Continue our program to provide state-of-the-art information technology to our people everywhere. Just as I promised you last year, the budget request will continue projects aimed at extending classified connectivity to every post that requires it and to expanding desktop access to the Internet for Department employees. We have included \$177 million for this purpose. Over the past decade, we let the Department's essential connectivity ebb to very low levels and we need to correct that situation.
- Continue and enhance our educational and cultural exchange programs. The budget request includes \$247 million for strategic activities that build mutual understanding and develop friendly relations between America and the peoples of the world. These activities help build the trust, confidence, and international

cooperation necessary to sustain and advance the full range of our interests. Such activities have gained a new sense of urgency and importance since the brutal attacks of September. We need to teach more about America to the world. We need to show people who we are and what we stand for, and these programs do just that.

- Continue to meet our obligations to international organizations—also important as we pursue the war on terrorism to its end. The budget request includes \$891.4 million to fund U.S. assessments to 43 international organizations, active membership of which furthers U.S. economic, political, security, social, and cultural interests.
- Continue to try to meet our obligations to international peacekeeping activities. The budget request includes \$726 million to pay our projected United Nations peacekeeping assessments—all the more important as we seek to avoid increasing even further our UN arrearages. UN peacekeeping activities allow us to leverage our political, military, and financial assets through the authority of the United Nations Security Council and the participation of other countries in providing funds and peacekeepers for conflicts worldwide. As we have seen in Afghanistan, it is often best to use American GIs for the heavy-lifting of combat and leave the peacekeeping to others.
- Continue and also enhance an aggressive public diplomacy effort to eliminate support for terrorists and thus deny them safe haven. The budget includes almost \$518 million for International Broadcasting, of which \$60 million is for the war on terrorism. This funding will enable the Voice of America and Radio Free Europe/Radio Liberty to continue increased media broadcasts to Afghanistan and the surrounding countries and throughout the Middle East. These international broadcasts help inform local public opinion about the true nature of al-Qaida and the purposes of the war on terrorism, building support for the coalition's global campaign.

Mr. Chairman, on this last subject let me expand my remarks.

The terrorist attacks of 9/11 underscore the urgency of implementing an effective public diplomacy campaign. Those who abet terror by spreading distortion and hate and inciting others, take full advantage of the global news cycle. We must do the same. Since 9/11, there have been over 2,000 media appearances by State Department individuals. Our continuous presence in Arabic and regional media by officials with language and media skills, has been unprecedented. Our international information website on terror is now online in seven languages. Internet search engines show it is the hottest page on the topic. Our 25-page color publication, "The Network of Terrorism", is now available in 30 languages with many different adaptations, including a full insert in the Arabic edition of *Newsweek*. "Right content, right format, right audience, right now" describes our strategic aim in seeing that U.S. policies are explained and placed in the proper context in the minds of foreign audiences.

I also serve, ex officio, as a member of the Broadcasting Board of Governors, the agency that oversees the efforts of Voice of America and Radio Free Europe/Radio Liberty to broadcast our message into South Central Asia and the Middle East. With the support of the Congress, our broadcasting has increased dramatically since September 11. We have almost doubled the number of broadcast hours to areas that have been the breeding grounds of terrorists. The dollars we have requested for international broadcasting will help sustain these key efforts through the next fiscal year.

In addition, Under Secretary Charlotte Beers leads an aggressive effort to create and implement new programs to reach new audiences. She is working with private sector companies, government agencies, and with our embassies to create avenues to broader, younger audiences in critical regions. One of our new initiatives will focus on Muslim life in America. It will include television documentaries and radio programs co-produced with Muslim-Americans, speaker exchanges, and op-ed pieces. We know that this must be a long-term effort that will bear fruit only over time. But we must do it. Two of America's greatest strengths during the Cold War were our vigorous information and exchange programs. I believe that we can and must build a comparable capability today if we are to confront successfully the new threat to our security.

Mr. Chairman, all of these State Department and Related Agencies programs and initiatives are critical to the conduct of America's foreign policy. Some of you know my feelings about the importance to the success of any enterprise of having the right people in the right places. If I had to put one of these priorities at the very pinnacle of our efforts, it would be our people. We must sustain the strong recruiting program we began last year. At the same time, we will continue measuring our

progress not simply on numbers hired but on how our new hire's enhance the Department's mission. We want to get to a point where our people can undergo training without seriously jeopardizing their missions or offices; where our men and women don't have to fill two or three positions at once; and where people have a chance to breathe occasionally. Morale at the Department has taken a definite swing upward and we want it to continue to rise and to stay as high as possible. As a soldier, I can tell you that such high morale, combined with superb training and adequate resources, is the key to a first-class offense—and that is what our men and women are, the first line of offense for America.

So, before I turn to foreign policy, let me say once again how strongly I feel as the CEO of the State Department about this part of our budget. It is essential that we have the funds necessary to pay for our operations worldwide.

FOREIGN POLICY: SUCCESSES, CHALLENGES, AND OPPORTUNITIES

In addition to the successes of the war on terrorism and the regional developments its skillful pursuit has made possible, we have been busy elsewhere as well.

With regard to Russia, President Bush has defied some of our critics and structured a very strong relationship. The meetings that he had with President Putin and the dialogue that has taken place between Russian Foreign Minister Ivanov and me and between Secretary of Defense Rumsfeld and his counterpart, and at a variety of other levels, have positioned the United States for a strengthened relationship with the land of eleven time zones.

The way that Russia responded to the events of September 11 was reflective of this positive relationship. Russia has been a key member of the antiterrorist coalition. It has played a crucial role in our success in Afghanistan, by providing intelligence, bolstering the Northern Alliance, and assisting our entry into Central Asia. As a result, we have seriously eroded the capabilities of a terrorist network that posed a direct threat to both of our countries.

Similarly, the way we agreed to disagree on the ABM Treaty reflects the intense dialogue we had over eleven months, a dialogue in which we told the Russians where we were headed and we made clear to them that we were serious and that nothing would deter us. And we asked them if there was a way that we could do what we had to do together, or a way that they could accept what we had to do in light of the threat to both of our countries from ballistic missiles.

At the end of the day, we agreed to disagree and we notified Russia that we were going to withdraw from the ABM Treaty. I notified FM Ivanov—we talked about our plans for two days. President Bush called President Putin. Then the two presidents arranged the way we would make our different announcements. And the world did not end. An arms race did not break out. There is no crisis in Russia-U.S. relations. In fact, our relations are very good. Both presidents pledged to reduce further the number of their nuclear weapons and we are hard at work on an agreement to record these mutual commitments. This is all part of the new strategic framework with Russia.

We even managed to come to an agreement on how we are going to work through NATO. We are now developing mechanisms for pursuing joint Russia-NATO consultations and actions "at 20" on a number of concrete issues. Our aim is to have these mechanisms in place for the Reykjavik ministerial in May. And as we head for the NATO Summit in Prague in November, I believe we will find the environment for the continued expansion of NATO a great deal calmer than we might have expected.

I believe the way we handled the war on terrorism, the ABM Treaty, nuclear reductions, and NATO is reflective of the way we will be working together with Russia in the future. Building on the progress we have already made will require energy, good will, and creativity on both sides as we seek to resolve some of the tough issues on our agenda. We have not forgotten about Russian abuse of human rights in Chechnya, Moscow's nuclear proliferation to Iran, or Russian intransigence with respect to revision of Iraq sanctions. Neither have we neglected to consider what the situation in Afghanistan has made plain for all to see: how do we achieve a more stable security situation in Central Asia? We know that this is something we cannot do without the Russians and something that increasingly they realize can't be done without us, and without the full participation of the countries in the region. We are working these issues as well.

In fact, the way we are approaching Central Asia is symbolic of the way we are approaching the relationship as a whole and of the growing trust between our two countries. We are taking issues that used to be problems between us and turning them into opportunities for more cooperation. Such an approach does not mean that differences have vanished or that tough negotiations are a thing of the past. What

it means is that we believe there are no insurmountable obstacles to building on the improved relationship we have already constructed.

It will take time. But we are on the road to a vastly changed relationship with Russia. That can only be for the good—for America and the world.

We have also made significant progress in our relationship with China.

We moved from what was a potentially volatile situation in April involving our EP-3 aircraft which was forced to land on China's Hainan Island after a PLA fighter aircraft collided with it, to a very successful meeting in Shanghai in October between President Jiang Zemin and President Bush and an APEC Conference, hosted by China, that was equally successful.

There are certain shared interests that we have with China and we have emphasized those interests. They are regional and global interests, such as China's accession to WTO, stability on the Korean Peninsula, and combating the scourge of HIV/AIDs. On such issues we can talk and we can produce constructive outcomes.

There are other interests where we decidedly do not see eye-to-eye, such as Taiwan, human rights, religious freedom, and missile proliferation. On such issues we can have a dialogue and try to make measurable progress.

But we do not want the interests where we differ to constrain us from pursuing those where we share common goals. And that is the basis upon which our relations are going rather smoothly at present. That, and counterterrorism.

President Jiang Zemin was one of the first world leaders to call President Bush and offer his sorrow and condolences for the tragic events of September 11. And in the almost five months since that day, China has helped in the war against terrorism. Beijing has also helped in the reconstruction of Afghanistan and we hope will help even more in the future.

Moreover, China has played a constructive role in helping us manage over these past few weeks the very dangerous situation in South Asia between India and Pakistan. When I could call China's Foreign Minister Tang and have a good discussion, making sure our policies were known and understood, it made for a more reasoned approach to what was a volatile situation. As a result, China supported the approach that the rest of the international community had taken. Beijing was not trying to be a spoiler but instead was trying to help us alleviate tensions and convince the two parties to scale down their dangerous confrontation—which now it appears they are beginning to do.

All of this cooperation came as a result of our careful efforts to build the relationship over the months since the EP-3 incident. We never walked away from our commitment to human rights, non-proliferation, or religious freedom; and we never walked away from the position that we don't think the Chinese political system is the right one for the 21st century. And we continued to tell the Chinese that if their economic development continues apace and the Chinese people see the benefits of being part of a world that rests on the rule of law, we can continue to work together constructively.

A candid, constructive, and cooperative relationship is what we are building with China. Candid where we disagree; constructive where we can see some daylight; and cooperative where we have common regional or global interests. These are the principles President Bush will take with him to Beijing later this month. After meeting with Prime Minister Koizumi in Tokyo and with President Kim in Seoul, the President will spend a day and a half in Beijing and meet with President Jiang Zemin, as well as Premier Zhu Rongji. He will have ample opportunity to put these principles to work.

As we improved our relationship with China, we also reinvigorated our bilateral alliances with Japan, Korea, and Australia. Nowhere has this been more visible than in the war on terrorism—where cooperation has been solid and helpful.

Prime Minister Koizumi immediately offered Japan's strong support, within the confines of its constitution. And he is working to enhance Japan's ability to contribute to such global and regional actions in the future. President Bush's dialogue with this charismatic and popular Japanese leader has been warm, engaging, and productive. Always the linchpin of our security strategy in East Asia, the U.S.-Japan Security Alliance is now as strong a bond between our two countries as it has been in the half-century of its existence. Our shared interests, values, and concerns, plus the dictates of regional security, make it imperative that we sustain this renewed vigor in our key Pacific alliance. And we will.

With respect to the Peninsula, our alliance with the Republic of Korea (ROK) has also been strengthened by Korea's strong response to the war on terrorism and by our careful analysis of and consultations on where we needed to take the dialogue with the North. President Bush has made it very clear that we are dissatisfied with the actions of North Korea, that they continue to develop and sell missiles that could carry weapons of mass destruction. But we have also made clear that both

we and the ROK are ready to resume dialogue with Pyongyang, on this or any other matter, at any time the North Koreans decide to come back to the table. The ball is in Kim Jong-il's court.

The Australians have been clearly forward-leaning in their efforts to support the war on terrorism. Heavily committed in East Timor already, Canberra nonetheless offered its help immediately and we have been grateful for that help. The people of Australia are indeed some of America's truest friends.

As I look across the Pacific to East Asia I see a much-improved security scene and I believe that President Bush deserves the lion's share of the credit for this success.

Another foreign policy success is the improvement we have achieved in our relations with Europe. In waging war together on terrorism, our cooperation has grown stronger. NATO invoked Article 5 for the first time ever on September 12. Since then, the European Union has moved swiftly to round up terrorists, close down terrorist financing networks, and improve law enforcement and aviation security cooperation.

Moreover, President Bush has made clear that even as we fight the war on terrorism, we will not be deterred from achieving the goal we share with Europeans of a Europe whole, free, and at peace. We continue to work toward this goal with our Allies and Partners in Europe. While in the Balkans there remain several challenges to our achieving this goal, we believe we are meeting those challenges. We have seized war criminals, helped bring about significant changes in governments in Croatia and Yugoslavia, and our military forces are partnered with European forces in Kosovo and Bosnia to help bring stability and self-governance, while European-led action fosters a settlement in Macedonia. We need to finish the job in the Balkans—and we will.

I also believe we have been successful in bringing the Europeans to a calmer level of concern with respect to what was being labeled by many in Europe “unbridled U.S. unilateralism”.

There was significant concern among the Europeans earlier last year that because we took some unilateral positions of principle for us that somehow the U.S. was going off on its own without a care for the rest of the world. This was particularly true with respect to the Kyoto Protocol. So we set out immediately to correct this misperception. Beginning with President Bush's speech in Warsaw, his participation in the G-8 meetings and the European Union summit, our extensive consultations with respect to the new strategic framework with Russia, and culminating in the brilliant way in which the President pulled together the coalition against terrorism, I believe that we demonstrated to the world that we can be decisively cooperative when it serves our interests and the interests of the world.

But we have also demonstrated that when it is a matter of principle, we will stand on that principle. In his first year in office President Bush has shown the international community who he is and what his administration is all about. That is an important accomplishment—and one that is appreciated now everywhere I go. People know where America is coming from and do not have to doubt our resolve or our purpose. They may not always agree with us, but they have no doubt about our policy or our position. We want to ensure that this policy clarity and this firmness of purpose continue to characterize our foreign policy, and not just with the Europeans but with all nations.

Let me just note that this sort of principled approach characterizes our determined effort to reduce the threat from weapons of mass destruction—an effort well underway before the tragic events of September 11 added even greater urgency. We and the Russians will reduce our own deployed nuclear weapons substantially. In the meantime, we are using a comprehensive approach, along with our friends and allies, to tackle WMD elsewhere, an approach that includes export controls, non-proliferation, arms control, missile defenses, and counter-proliferation. As you heard President Bush say last Tuesday night in the chambers of this Congress, “the price of indifference [to WMD] would be catastrophic.” There are terrorists in the world who would like nothing better than to get their hands on and use nuclear, chemical, or biological weapons. So there is a definite link between terrorism and WMD. Not to recognize that link would be foolhardy to the extreme.

Principled approach does not equate to no cooperation. We know that cooperation is often essential to get things done. On our efforts to lift countries out of poverty, for example, and to create conditions in which trade and investment flourish, we need to cooperate. This summer in Johannesburg, we will participate in the World Summit on Sustainable Development. There we will have an opportunity to address such issues as good governance; protection of our oceans, fisheries, and forests; and how best to narrow the gap between the rich countries and the poor countries of

the world. And that brings me to my next high mark in our foreign policy for the past year, Africa.

Mr. Chairman, we have crafted a new and more successful approach to Africa—the success of which was most dramatically demonstrated in the WTO deliberations in Doha last November that led to the launching of a new trade round. The United States found its positions in those deliberations being strongly supported by the developing countries, most notably those from Africa. You may have some idea of how proud that makes your Secretary—proud of his country, and proud of this Congress for its deliberate work to make this possible. The Congress laid the foundation for our efforts with the African Growth and Opportunity Act—an historic piece of legislation with respect to the struggling economies in Africa. In the first year of implementation of this Act, we have seen substantial increases in trade with several countries—South Africa by 11%, Kenya by 21%, Lesotho by 51%, and Madagascar by a whopping 117%, all based on the first three quarters of 2001 compared to the same period in 2000. Likewise, we are very pleased with the excellent success of the first U.S.-SubSaharan Africa Trade and Economic Cooperation Forum which was held last October.

A large part of our approach to Africa and to other developing regions and countries as well, will be a renewed and strengthened concern with progress toward good governance as a prerequisite for development assistance. Where conditions are favorable, our development assistance in Africa will emphasize the vigorous promotion of agriculture. Agriculture is the backbone of Africa's economies and must be revitalized to reduce hunger and to lift the rural majority out of poverty. In addition, we will emphasize fighting corruption and President Bush's new initiative on basic education. Moreover, we want to emphasize methods that directly empower individuals—methods such as micro-lending, a superb vehicle for increasing the economic participation and security of the working poor. The people of Africa in particular know that in many cases their governments do not deliver the health care, transportation and communication networks, education and training, and financial investment needed to create 21st century economies. They know that this must change if there is to be hope of economic success—of job creation, private investment, stable currencies, and economic growth.

We also know and more and more of Africa's people are coming to know that none of this economic success is possible if we do not meet the challenge of HIV/AIDS. That is why I am pleased to report that pledges to the Global Fund to fight AIDS, tuberculosis, and malaria now exceed \$1.7 billion and continue to grow. Soon, the Fund is expected to accept proposals and provide grants to partnerships in those countries with the greatest disease burden and the least resources with which to alleviate that burden.

We want the Global Fund to complement national, bilateral, and other international efforts to fight these dreaded diseases. Strong congressional support will ensure that the United States remains the leader in this global humanitarian and national security effort.

I have not exhausted the list of our foreign policy successes either. In our own hemisphere we have met with considerable success, from the President's warm relationship with Mexico's President Fox, to the Summit of the Americas in Quebec, to the signing of the Inter-American Democratic Charter in Lima, Peru, to our ongoing efforts to create a Free Trade Area of the Americas—including, as President Bush described three weeks ago, not only our current negotiations with Chile but also a new effort to explore the concept of a free trade agreement with Central America.

Moreover, we have every expectation that the Financing for Development Conference in Mexico later this month will be successful. There, the importance of good governance, trade, and private investment will be the focus. We need to keep democracy and market economics on the march in Latin America. And to be sure, there are some dark clouds moving in now, and one of the darkest looms over Colombia where a combination of narco-terrorism and festering insurgency threatens to derail the progress the Colombians have made in solidifying their democracy.

Our Andean Regional Initiative is aimed at fighting the illicit drugs problem while promoting economic development, human rights, and democratic institutions in Colombia and its Andean neighbors. Intense U.S. support and engagement has been the critical element in our counterdrug successes in Bolivia and Peru and will continue to be critical as we help our regional partners strengthen their societies to confront and eradicate this threat to their own democracies and to America's national security interests.

There is another element to this challenge caused by our intense focus right now and for the foreseeable future on the war on terrorism. U.S. military and law enforcement forces previously assigned to interdict the flow of drugs between South America and the United States have been reduced by more than fifty percent. Be-

cause of this reduction we have less capability to stem the flow of drugs from south to north, thus we will be even more dependent on friendly countries in source and transit zones to help us deal with the drug threat.

For our Caribbean neighbors, making the situation worse are the end results of September 11—lower growth, decreased tourism, increased unemployment, decreased tax revenue, and decreased external financial flows. This economic decline is compounded by high rates of HIV/AIDS infection and financial crime, as well as the traffic in illicit drugs.

President Bush's Third Border Initiative (TBI) seeks to broaden our engagement with our Caribbean neighbors based on recommendations by the region's leaders on the areas most critical to their economic and social development. The TBI is centered on economic capacity building and on leveraging public/private partnerships to help meet the region's pressing needs.

In addition to its economic provisions, the Third Border Initiative includes 20 million dollars for HIV/AIDS education and prevention efforts. This represents a two-fold increase in U.S. HIV/AIDS assistance to the region in just two years.

As you are aware, Mr. Chairman, our ties to the Caribbean region are as much cultural and human as they are economic and political. The countries of the Caribbean attract millions of American visitors every year and the region is our sixth largest export market. Large numbers of Caribbean immigrants have found their way to America, including, I am proud to say, my Jamaican forebearers. Here people from the region have found freedom and opportunity and have added something wonderful to the great American cultural mix. But our primary goal must be to help ensure that the peoples of the Caribbean find new opportunities for work, prosperity and a better life at home.

At the end of the day, it is difficult to exaggerate what we have at stake in our own hemisphere. Political and economic stability in our own neighborhood reduces the scale of illegal immigration, drug trafficking, terrorism, and economic turmoil. It also promotes the expansion of trade and investment. Today, we sell more to Latin America and the Caribbean than to the European Union. Our trade within NAFTA is greater than that with the EU and Japan combined. We sell more to MERCOSUR than to China. And Latin America and the Caribbean is our fastest growing export market. Clearly, the President is right to focus attention on this hemisphere and we will be working hard in the days ahead to make that focus productive, both economically and politically.

Mr. Chairman, in addition to the dark clouds I have described within our hemisphere, there are vexing problems that persist elsewhere, the most prominent of which are in the Middle East. The situation between Israel and the Palestinians, Iraq, and Iran are among our concerns.

With respect to the tragic confrontation between Israel and the Palestinians, we will continue to try and focus the parties on the need to walk back from violence to a political process. Our priorities have been and will remain clear: ending the violence and terror through establishment of an enduring cease-fire and then movement forward along the path outlined in the Tenet Security Workplan and the Mitchell Report recommendations, agreed to by both sides and supported by the international community. This forward movement would lead ultimately to negotiations on all the issues that must be resolved.

Israelis and Palestinians share a common dream: to live side-by-side in genuine, lasting security and peace in two states, Israel and Palestine, with internationally recognized borders. We share that hope for a better tomorrow for both peoples. President Bush expressed this positive vision in his speech to the United Nations last November, and I described it in my speech later that month in Louisville. And I thank one of your Senate colleagues, Senator Mitch McConnell, for inviting me on that occasion.

We must not become frustrated, or yield to those who would have us turn away from this conflict—or from this critical region. As the President has said, the United States has too many vital interests at stake to take such a step, and one of those vital interests is the security of Israel. We must not lose sight of what we have achieved through our hard work and diplomacy in the region and beyond. There is a path out of the darkness, accepted by both Israel and the Palestinians—the Tenet Workplan and the Mitchell Report. We have mobilized our friends and allies, including the UN, the European Union, Russia and others throughout the region and the world, to speak with one voice in supporting this road back to peace.

But first things first. Our positive vision will never be realized so long as violence and terror continue. The President and I, and General Zinni, have been unequivocal with Chairman Arafat. The Palestinian people will never see their aspirations achieved through violence. Chairman Arafat must act decisively to confront the sources of terror and choose once and for all the option of peace over violence. He

cannot have it both ways. He cannot engage with us and others in pursuit of peace and at the same time permit or tolerate continued violence and terror. In that regard, I have made clear to Chairman Arafat that the smuggling of arms to the Palestinian Authority by Iran and Hizballah aboard the *Karine A* is absolutely unacceptable. Chairman Arafat must ensure that no further activities of this kind ever take place and he must take swift action against all Palestinian officials who were involved.

Chairman Arafat knows what he must do. Actions are required, not just words, if we are to be in the position of working effectively again with him to help restore calm and forward movement. Israel too must act. Prime Minister Sharon has spoken of his desire to improve the situation of Palestinian civilians, confronted with a disastrous economic crisis and suffering daily. We have urged the Israeli government to act in ways that help ease these hardships and avoid further escalation or complicate efforts to reduce violence. Difficult as the present circumstances are, the United States will remain involved. But, in the end, Israel and the Palestinians must make the hard decisions necessary to resume progress toward peace.

With regard to Iraq, that country remains a significant threat to the region's stability. We are working at the UN and elsewhere to strengthen international controls on Iraq. In the last year, we successfully stopped the free fall of sanctions and began to rebuild United Nations Security Council consensus on Iraq. The UNSC unanimously adopted resolution 1382 in November, committing itself to implement the central element of "smart sanctions" by May 30 of this year. This central element, or Goods Review List (GRL), identifies materials UNSC members must approve for export to Iraq and ensures continued supervision and control over dual-use goods. Its implementation will effectively lift economic sanctions on purely civilian trade and focus controls on arms, especially WMD. This will further strengthen support for UN controls by showing the international community that Saddam Hussein, not the UN and not the U.S., is responsible for the humanitarian plight of the Iraqi people. We are working with the Russians to get final agreement on the GRL.

At the end of the day, we have not ruled out other options with respect to Iraq. We still believe strongly in regime change in Iraq and we look forward to the day when a democratic, representative government at peace with its neighbors leads Iraq to rejoin the family of nations.

With regard to Iran, we have a long-standing list of grievances, from concerns about proliferation to Iran's continued sponsorship of terrorism. We have been clear in communicating to Teheran that its support for terrorism remains a serious unaddressed concern—and this includes the case of the *Karine A* transporting arms.

Teheran's latest provocation, besides the arms aboard the *Karine A*, has been its apparent unhelpful activities in the post-Taliban environment of western Afghanistan. This, after being quite helpful as we prosecuted the war against terrorism in Afghanistan and, at the Bonn Conference, being helpful with the setup of the Interim Authority in Kabul.

After citing the list of our grievances with Iran, however, I am still convinced that we may be able to talk to Iran, that we may be able to have a reasonable conversation with Iranian leaders. With respect to the situation in Afghanistan, for example, I believe we can demonstrate to them that it is not in their interest to destabilize the government that they helped to create in Bonn. The other issues will be more difficult; but I do believe constructive talks with Iran on Afghanistan are possible.

Mr. Chairman, I have not yet spoken at length about the crisis in South Asia or the war against terrorism, both of which I know are on all of the committee members' minds. Let me turn to those two very important matters now.

THE CRISIS IN SOUTH ASIA

The standoff between India and Pakistan is a very dangerous situation. Any situation where you have forces that are mobilized and are in proximity to one another and are at something of a war footing with nearly a million soldiers deployed, is a dangerous situation. One where both sides have nuclear and missile capability is dramatically more so. As President Bush and I worked this issue over the past few weeks, we noted however that there was an opportunity for a political and diplomatic solution—a solution that would avoid what could be a very disastrous conflict if it came to war.

Prime Minister Blair visited the region in early January. Chinese premier, Zhu Rongji, visited New Delhi the week of January 14. As you know, I visited New Delhi and Islamabad three weeks ago. I talked frequently by phone with General Musharraf and with my counterpart in India, Foreign Minister Singh. We talked at length about how to reach a point where the two sides could say "All right, let's start to deescalate."

President Musharraf's speech on January 12 was a seminal event. It not only dealt with terrorism and extremism in a way that I believe New Delhi found constructive, it sent a clear message to Pakistanis that terrorism must end if Pakistan is to enter the 21st century with expectations of progress and a decent life for its people. President Musharraf showed great courage and foresight in sending such a decisive message to his country and, by extension, to the Islamic world at large. Now he must show equal courage in implementing his concepts in Pakistan.

From the start of this crisis, both New Delhi and Islamabad have indicated that they want to avoid war, that they are desirous of solving the standoff through political and diplomatic means. Now, as we are seeing and as we are hoping, events seem to be progressing toward that end. We will continue monitoring the situation, urging restraint and dialogue, and helping where and when we can. We will encourage both India and Pakistan to refrain from provocative rhetoric and to move toward redeployment of their military forces. We need to continue carefully walking down from the very precarious position each country has created with respect to the other.

Mr. Chairman, let me now turn to the war on terrorism.

THE WAR ON TERRORISM

A little over two weeks ago, I was in Tokyo to join the European Union, Saudi Arabia, and Japan in hosting the Afghan Donor Conference. Representatives from over 60 countries attended, as well as experts from the Multilateral Development Banks, and a number of UN agencies. The conference helped to ensure that a wide range of countries will help the Afghans rebuild their country. The United States pledged \$296 million at the conference and others pitched in accordingly. The total pledged at this point is around \$4.5 billion with more than \$1.8 billion for the first year. I am pleased with the first-year funds, but we must do much better for the long haul.

The heavy-lifting with respect to Afghanistan is only just beginning. We have helped the Afghans remove the oppressive Taliban regime from their country. We have destroyed the al-Qaida network in Afghanistan, with our troops mopping up some of the remnants as we speak. We have made possible the delivery of humanitarian aid, including massive amounts of food. We have avoided the wholesale starvation that many predicted. Moreover, we have helped the people of Afghanistan establish a multi-ethnic Interim Authority in Kabul, led by Chairman Karzai. One of its ultimate goals is to oversee an agreed process that will lead to a broad-based Afghan government—one that represents all the people of the country, people of every background and region, women as well as men.

We also have a rare chance to disrupt seriously the flow of opium in the world, as Afghanistan has been the world's largest source of this drug which is the base for heroin. A government that is headed toward reconstruction, toward building a new and better life for its citizens, and a government that is concerned with feeding its population and giving them adequate education, good roads, clean water, and other needed services, will not be a government that permits the selling of opium to the world. And such a government needs to be secure as well.

Many of our key allies and partners are contributing to the International Security Assistance Force in Kabul to help ensure a secure environment for Mr. Karzai to build a new Afghanistan. We are reviewing whether or not more forces might be needed for this force and we will continue to look closely at the security needs as we move forward. We want to do everything possible to prevent the rise of any alternative power to the Interim Authority, until a permanent government can be established and begin to take care of that challenge on its own.

Much remains to be done and admittedly a lot of what remains will be difficult to accomplish. But we believe that at long last Afghanistan is on a positive track. There is no question that this is a time of great challenge for the Afghan people, but it is equally unquestionable that this is also a time of great hope. And, as President Bush pledged last week during Chairman Karzai's visit to Washington: "The United States is committed to playing a leading role in the reconstruction of Afghanistan."

Mr. Chairman, you and several other Senators have been to Afghanistan. You have seen at first hand the desperate need but also the hope for the future. You know from your visit how important it is to provide the needed funds for reconstruction. We must have a long-term commitment, from America and from the other countries dedicated to this process. If we can ensure such a commitment, and if we can achieve proper accountability and use of these funds, then I believe there is a good chance of making significant progress in bringing a new future to Afghani-

stan—and ending the days of warlordism and political chaos that bred the Taliban and made a fertile ground for terrorists.

And as reconstruction begins in Afghanistan, the war against terrorism continues. As President Bush said last week in his State of the Union Address, “What we have found in Afghanistan confirms that, far from ending there, our war against terror is only beginning.” The administration is working together in new ways never before envisioned. And that’s what this effort is going to require. FBI, CIA, INS, Treasury, State, NSC, the Attorney General and Justice Department, and others, are all coming together. This campaign is transnational, cross-border, even global in a way we have never contemplated.

What we are trying to do on the foreign policy side is to help analyze where al-Qaida cells might seek refuge. A country that immediately comes to mind is Somalia because it is quite a lawless place without much of a government and because it has been this sort of terrorist haven in the past, providing training camps, communications links, and financial cover.

We are watching Somalia very closely. Terrorism might find fertile ground there and we do not want that to happen. No plans have been made—yet. But if we find al-Qaida there, you can rest assured we will take the appropriate action.

We have also had a good dialogue with President Ali Abdallah Salih of Yemen and we believe that actions he is taking are a good first step toward the goal of uprooting the al-Qaida network there.

There are other countries we are working with as well, some of whom have their own sort of terrorist problem that has spillover into our own problem. The Philippines has the Abu Sayyaf, who in the past have had connections with al-Qaida. But this is not just a campaign against al-Qaida—it is a campaign against terrorism throughout the world.

So we are working with President Arroyo in the Philippines to assist that country in combating its terrorists—who as you know right now hold two American citizens as hostages.

We are also working with the Sudan, a country with whom we have had major difficulties in the past few years. Even before September 11 we had been working with the Sudanese, asking them “What do you get for this? What do you get for letting people like these terrorists have safe haven in the Sudan? What does it do for you except bring down the condemnation of the world?” And they have been somewhat responsive. The problems in the Sudan are not solved by any means. But some new opportunities have opened up.

As you can see, then, part of our approach to this extended campaign against terrorism is to work with countries such as the Sudan. We are not being naive, not being unmindful of the challenges that exist, but using diplomacy, using good people like Senator Danforth and others, and at the same time cooperating together on intelligence and law enforcement activities to put a stop to easy passage or safe haven for terrorists.

We have not made any recommendation to the President about the major use of military force and the President has made no decision as yet with respect to such use of force. But there are many other actions that are taking place—actions of a law enforcement, political, diplomatic, financial, and intelligence-sharing nature.

A sizable portion of the President’s budget request is dedicated to these counterterrorism efforts, as you will see as I turn to the specific priorities of our budget request for Foreign Operations.

THE BUDGET PRIORITIES FOR FY 2003: FOREIGN OPERATIONS

The President’s FY 2003 request for Foreign Operations is a little over \$16.1 billion. These dollars will support the continuing war on terrorism, the work we are doing in Colombia and the Andean region at large, our efforts to combat HIV/AIDS and other infectious diseases, the important work of the Peace Corps and the scaling up of that work, and our plan to clear arrearages at the Multilateral Development Banks.

War on Terrorism

As the war on terrorism expands, it will remain the top U.S. foreign policy priority. To fight terrorism as well as alleviate the conditions that fuel violent extremism, we are requesting an estimated \$5 billion. In addition to the initiatives outlined previously under the budget for the State Department and Related Agencies, this funding includes:

- Foreign assistance—\$3.5 billion for economic and security assistance, military equipment, and training for front-line states and our other partners in the war on terrorism.

- \$3.4 billion from Foreign Operations accounts such as the Economic Support Fund, International Military Education and Training, Foreign Military Financing, and Freedom Support Act.
- \$88 million for programs in Russia and other states of the former Soviet Union to reduce the availability to terrorists of weapons of mass destruction. Ongoing programs engage former weapons scientists in peaceful research and help prevent the spread of the materials expertise required to build such weapons.
- \$69 million for counterterrorism engagement programs, training, and equipment to help other countries fight global terror, thereby strengthening our own national security.
- \$4 million for the Treasury Department's Office of Technical Assistance to provide training and other necessary expertise to foreign finance offices to halt terrorist financing.

And Mr. Chairman, while in the FY 2003 budget request there is no money identified at the moment for Afghanistan reconstruction, I know that President Bush, the Congress, and the American people recognize that rebuilding that war-torn country must be and will be a multi-year effort. The Administration will be working closely with this committee and with the Congress to sustain our contribution in future years.

Andean Counterdrug Initiative

We are requesting \$731 million in FY 2003 for the multi-year counter-drug initiative in Colombia and other Andean countries that are the source of the cocaine sold on America's streets. ACI assistance to Andean governments will support drug eradication, interdiction, economic development, and development of government institutions. Assisting efforts to destroy local coca crops and processing labs there increases the effectiveness of U.S. law enforcement here.

Global Health and HIV/AIDS

In FY 2003, we are requesting \$1.4 billion for USAID global health programs. Of this amount, we are requesting \$540 million for bilateral HIV/AIDS prevention, care, and treatment activities, and \$100 million for the Global Fund to fight AIDS, tuberculosis, and malaria, to which I referred earlier. All of this funding will increase the already significant U.S. contribution to combating the AIDS pandemic and make us the single largest bilateral donor to the effort. I should add that the overall U.S. Government request for international HIV/AIDS programs exceeds one billion dollars, including \$200 million for the Global Fund.

The Peace Corps

All of you heard the President's remarks last Tuesday evening with respect to the USA Freedom Corps and his objective to renew the promise of the Peace Corps and to double the number of volunteers in the Corps in the next five years. We have put \$320 million for the Peace Corps in the FY 2003 budget request. This is an increase of over \$42 million over our FY 2002 level. This increase will allow us to begin the scaling up that the President has directed. In addition to re-opening currently suspended posts, the Peace Corps will establish new programs in eight countries and place over 1,200 additional volunteers worldwide. By the end of FY 2003 the Peace Corps will have more than 8,000 volunteers on the ground.

MDB Arrears

The FY 2003 request includes an initiative to pay one third of the amount the United States owes the Multilateral Development Banks (MDBs) for our scheduled annual commitments. With U.S. arrears currently now totaling \$533 million, the request would provide \$178 million to pay one third of our total arrears during the fiscal year. The banks lend to and invest in developing economies, promoting growth and poverty reduction. We need to support them.

Summing Up

Mr. Chairman, you have heard from me as CEO of the State Department and as principal foreign policy advisor to the President. I hold both responsibilities dear. Taking care of the great men and women who carry out America's foreign policy is as vital a mission in my view as helping to construct and shape that foreign policy.

As I told this committee last year and as I have already reminded it again this year, the conduct of the nation's foreign policy suffered significantly from a lack of resources over the past decade. I have set both my CEO hat and my foreign policy hat to correct that situation. But I cannot do it without your help and the help of your colleagues in the Senate and across the capitol in the House. I believe we have demonstrated in the past year that we are worth the money. I believe we have dem-

onstrated that we can be wise stewards of the people's money and put it to good use in the pursuit of America's interests abroad. I also believe that we have demonstrated conclusively that we are essential to that process of pursuing the nation's interests. With your able assistance, we will continue to do so in the months ahead.

Thank you, and I will be pleased to take your questions.

The CHAIRMAN. Thank you very much, Mr. Secretary. We will try to go through these rounds fairly quickly. And I know that we have many, many questions for you.

Let me begin by one housekeeping matter. We are going to have some very serious and prolonged hearings on AIDS, with the strong support of the ranking member and leadership of the Senator from Wisconsin, as well as Senator Kerry, our colleague from Tennessee and others. There is a consensus here that it must not go unattended. It is not. And toward that end, we will be having the first hearing on the 13th, next Wednesday. And toward that end in that afternoon, Kofi Annan feels this is such an important thing to continue the tradition started by the Chairman, Senator Helms, we have jointly invited him to come down and not to testify because it is not particularly appropriate, but to come at 3 o'clock to the committee and we are inviting other Senators as well to participate. And so that will be at 3 o'clock in the afternoon on the 13th as well. So that is, we share your view.

The last, not housekeeping but generic point I wish to make is if anyone doubts the resolve of this generation of young people, I hear it so often about this generation, they ought to follow you or me or others of us around the world, and be in that bunker or sit in the basement of that embassy which is in God-awful shape and the buildings and the structures there and see these young kids. I mean, they are incredible, absolutely incredible.

I know you know the stories you heard when our one star, Bob Grim was telling us, he brought me in without staff and let me listen to some of the intel they had picked up and I have to tell one story.

He tells us about a story, you know, we have, as you know, young Marines, the Special Forces folks, going out with a dozen or a couple of them going out with a dozen or more Northern Alliance people and, we are going, we are looking in those caves and we are in Tora Bora, we are in Jalalabad, we are going around trying to root these guys out.

They tell me this one story where this group gets ambushed and all of the Northern Alliance guys take off and you hear a young sergeant say, I won't use exact language, but a young gunny saying I will be darned if I am leaving and the young captain with him saying I think we can take these guys. There were close to 50 of them. These two kids hunkered down. You can then hear the Northern Alliance guys saying, I won't use the vernacular, but as translated to me but hey, these guys are pretty tough and they go back with them and they defeat this group.

And then that same group comes to me in the afternoon and says after another briefing, says Senator, these same kids are out there, we need help, you know, there is a group, there is a children's hospital in Kabul. There is no heat. We sent our engineer over there, we need \$320 in parts. Defense did not have it, State did not have it. I said how did you do it? "We passed the hat."

The same kids are out there getting shot at. They passed the hat for \$325, went out and bought on the black market the material to fix the children's hospital to put heat in there. So I want to tell you, my dad's generation may be the greatest generation because they had the greatest challenge they were facing. This generation of kids has the capacity, if called upon, to be the greatest generation. They are something else. So I hope, I just wish people would see what they are doing.

Secretary POWELL. Thank you.

The CHAIRMAN. I have been asked how many minutes. I have already trespassed on the minutes. Since it is close to 12, we will make it 7 minute rounds, is that good with you, Senator?

Secretary POWELL. You make the point, Mr. Chairman, there is greatness in every generation.

The CHAIRMAN. There really is, and these kids are amazing, absolutely amazing.

At any rate, on the "axis of evil." You have spoken to the same people and many more than I have spoken to and Senator Hagel has spoken to being over at the Wehrkunde conference, and I was up at the World Economic Forum, and it may be understood by the administration but to say the least, it has confused our friends and angered some of our allies. They are confused not because they think these guys are good guys, but they wonder why if the criteria for calling North Korea evil, why do we not call China evil?

China is exporting—we are sanctioning them—the same material. China is building, increasing their nuclear arsenal. Why Iran if not Syria. Assad in Syria has made the most inflammatory remarks I have heard anybody make at all in the world about the United States so far, except for bin Laden. And the list goes on.

So my question is was it meant to stake out the general notion that we know these guys are bad guys, they are not the only bad guys or is it meant to be an all inclusive list or was it, I am not being facetious, was it a rhetorical connection between Roosevelt and or Reagan, axis and evil. These folks are not allies, they are not on the same page. Can you talk to me a little bit about that?

Secretary POWELL. What the President wanted to do was to, and remember the context in which he used the term, he was talking about terrorism, he wanted to make the point that even if we finished with al-Qaeda in Afghanistan, even if we got al-Qaeda everywhere that is in the 50-odd countries that it is located, we still have a problem, the civilized world has a problem.

The problem is there are still regimes out there that not only are supporting terrorist organizations as a matter of state policy, but they are also developing weapons of mass destruction and means to deliver them that might then allow them to become a terrorist state because they could do that, or they could provide the where-withal to terrorist organizations to use these sorts of things against us. So I think it was a clear statement that these three particular countries, if not identical to each other with respect to their policies, have enough to link them with respect to their attitudes to the rest of the world and the kinds of things they are doing. And they are probably not the only ones we could have put into the club.

With respect to your reference to China, we called China to account for their proliferation activities. We just put two more Chinese companies under sanction.

The CHAIRMAN. I am not suggesting you add them, I am just wondering why you—

Secretary POWELL. We have a dialog with China. We can talk to China. We have ways of dealing with China in a sensible way. With North Korea, no. With Iraq, no. With Iran, no. And they continue to pursue these policies which frankly are dangerous to us. And the President wanted to make sure that everybody understood that.

Now, the response that has come back has been mixed. Some people have said they understand exactly what he was talking about. I think most people understand exactly who he is talking about. But for some in the foreign policy community or editorial or journalistic community found it a bit too shocking and it rankled them too much. I think when you settle down, the President did not announce any new policies with respect to them because we have a set of policies in place with respect to each and every one of them.

The CHAIRMAN. Well, just so you know what people have said to me, including Foreign Ministers of our major allies, is that big nations cannot bluff. The President said that we weren't going to wait for these dangers to get worse. They raised the question of whether or not we have changed our policy about using preemptive force to take out, for example, any of the facilities that the North Koreans we believe are using to develop these weapons, and whether we have decided that we have the right under international law or without international law to preemptively strike Iran as they continue to try to enhance their missile capability, which would be a change in policy. It would be—well—

Secretary POWELL. I am not aware of a policy of no preemption ever.

The CHAIRMAN. No, no, but I mean, well, they, let me be more precise. They are asking whether or not the policy is now that we are just saying to them unless they cease and desist in these efforts now, we will use whatever force is necessary now to take out their capacity to develop these weapons.

Secretary POWELL. That is not what the President said, and if they would listen to what he said, that is not what he said, nor did he announce any new policies the next day nor did we.

The CHAIRMAN. Well, proliferation is of great concern to all of us and I, and to the extent that Iraq is a problem, and I think it is. I happen to be one that thinks that one way or another Saddam has got to go and it is likely to be required to have U.S. force to have him go and the question is how to do it in my view, not if to do it, but I won't in my short time here, pursue that. But with regard to nonproliferation efforts, if Iraq is a concern and North Korea is a concern about proliferating the capability for individual terrorist groups to act, the virtual candy store that is out there is Russia, not because Russia wants to, but because Russia based on the Baker report and many other reports has everything that any terrorist could possibly want from fissile material lying around to, as Senator Lugar has forgotten more about this than I am going

to know, but chemical munitions that are potentially available, not very much under guard to the attempts to get actually a nuclear capacity, and I am talking about of the ilk of the al-Qaedas of the world.

And we are going to spend this year in this budget \$8.3 billion on what the Joint Chiefs of Staff, as well as the national intelligence estimate, judges to be the least likely threat, that is an ICBM striking the United States and yet we are going to spend only 1 point—if you add everything up, it is less than \$1.3 billion on dealing with the proliferation of this capability. Do you think that is the right balance?

Secretary POWELL. You can always find two items and make a judgment as to whether the balance is correct or not. And \$1.3 billion is a significant amount of money.

The CHAIRMAN. It is a very, very small increase over what we had done last year.

Secretary POWELL. And there is also an absorption issue as well. In the past week I have discussed this with the Russian Prime Minister. I have also discussed it with the Russian head of the their chemical weapons holdings. It has now been moved from the Ministry of Defense to a civilian organization, where we can get a little better insight into what they are doing. We are looking at other ways of increasing the funding for these kinds of programs perhaps through some kind of debt relief.

The CHAIRMAN. It seems to be a win-win circumstance if we could do it.

Secretary POWELL. Absolutely. But you are right. What impresses me is that the Russians also recognize this as well.

The CHAIRMAN. That is clear to me. I will come back to ask about Iraq in the second round here if we have time. Senator Helms.

Senator HELMS. Thank you, Mr. Chairman. I have been a member of this committee about as long as anybody.

The CHAIRMAN. We came the same day.

Senator HELMS. I have never heard a more comprehensive report by a Secretary of State, and I have heard a few.

Secretary POWELL. Thank you, sir.

Senator HELMS. And I have been your friend for a long time and I just want to compliment you, man to man.

Secretary POWELL. Thank you, sir.

Senator HELMS. I was pleased what you said about the President with respect to the “axis of evil,” that is to say, Iran, Iraq and North Korea. And I know you are aware but I want to make a point of it there have been two recent national intelligence estimates, they call them NIEs down in your shop, about each one of these countries making aggressive efforts to acquire weapons of mass destruction and ballistic missiles.

Now, that is more than a minor interest to the United States and I am glad the President said what he did. He meant it and I agreed with him and I mean it.

I am confessing how old I am. I think I may be the only guy in this room who remembers December 7, 1941. Now I remember it well because I went up to the Navy recruiting station after we put out an extra of my newspaper and volunteered for the Navy.

I am a little bit disappointed. I am about to get over this situation with Japan, but there is a matter involving a lot of states in this country of ours, poultry producing states and are you aware of the ban on United States poultry by Japan?

Secretary POWELL. Yes, sir.

Senator HELMS. Howard Baker is working on it and doing a good job but I want to continue to be friends of the Japanese, but if they are going to take crazy positions like this, because there is one county in Pennsylvania where there was poultry disease, avian influenza, one county in Pennsylvania and that is all, and nowhere else in this country and yet they have banned our poultry. Now, I know you are going to look into that for us and I appreciate it.

Now, last June, our President called for NATO enlargement from the Baltic to the Black Sea. There is no down side to broadening and strengthening the Atlantic alliance of free nations in my judgment, because it is a part, as you have stated this morning that we will enhance the security of our own country.

But I am a little bit worried that NATO enlargement is taking a back seat to other priorities, and you have reassured me, but can you fully reassure me that it is going to be on the front burner?

Secretary POWELL. It is on the front burner and I am absolutely sure that a number of nations will be invited at the Prague summit to become members of NATO. I am not prepared to say today how many of the aspirants will be invited. But I think it is going to be a pretty good size addition to the membership, and the standard will be: do they contribute to the alliance? Have they met the standards of the membership action plan? And nobody will have a veto over whether they are in or out. It is up to the members of NATO to decide how to expand the club.

At the same time, the NATO-Russia at 20 piece of it will give Russia some reassurance about the expansion of NATO as being something that is not threatening to them because it gives them a voice in NATO without any veto over NATO activities. And so that is why we are anxious to put together NATO-Russia at 20 by the time of the Reykjavik Ministerial in May to set ourselves up for the President's trip to Moscow, also in May, and then the Prague summit in the fall.

Senator HELMS. Mr. Secretary, this is almost a personal matter. A Hong Kong businessman, Li Guangqiang, was sentenced last week to 2 years in prison in China for transporting Bibles into China. Are you aware of that?

Secretary POWELL. Yes, sir. And we find it a deplorable sentence and deplorable charge.

Senator HELMS. It just occurred to me this morning when were you talking about the President and you going to China, this is a matter of importance to a lot of people in this country, and I wonder if the President and you would take up this matter with the Chinese because that is reprehensible. That is censorship at its worst, as far as I am concerned.

Secretary POWELL. The President called us about it as soon as he saw it a few weeks ago and he raised this kind of thing with President Jiang Zemin when he was in Shanghai last fall and I am sure it will come up again later this month.

Senator HELMS. I am sure it will, too. But this is just reprehensible.

Finally, I am concerned about reports from Venezuela last week that President Chavez is consorting with narco-terrorists in Colombia. Physical evidence, namely a videotape and a memorandum establishes beyond any doubt, I think, that he is supporting the narco-terrorists in Colombia. Presuming all of that is so, what do you think ought to be the United States' position in the face of President Chavez's continued behavior both at home and abroad, and then a related area while I am at it, while I am encouraged to see the President's proposal to train Colombians in pipeline security, that is a necessity, how else can we increase help to the Colombian Government in their war against the narco-terrorists. I did not leave you much time.

Secretary POWELL. Briefly, we have been concerned with some of the actions of Venezuelan President Chavez, and his understanding of what a democratic system is all about. We have not been happy with some of the comments he has made with respect to the campaign against terrorism. He was not as supportive as he might have been and he drops in on some of the strangest countries to visit. I am not sure what inspiration he thinks he gets or what benefit it is to the Venezuelan people dropping in or visiting some of these despotic regimes. We have expressed our disagreement on some of these policies directly to him and he understands that it is a serious irritant in our relationship.

Senator HELMS. What did he say when you——

Secretary POWELL. He gets quite defensive. We have had our Ambassador go in on a couple of occasions and he becomes quite defensive. And we have also gone to some of our friends in the region to also suggest to President Chavez that there are perhaps better ways to deal with a campaign against terrorism and better ways to deal with the challenges his country is facing.

With respect to the specific issue on the videotape and support of narcotraffickers, I saw those reports, but I think I had better wait until I get a complete analysis before I comment on any particular charges.

With respect to the Colombian pipeline, as you know, this is a program that we are supporting to the tune of \$98 million in our budget. Because it is a critical pipeline for Colombia, they do need to find a way to protect it in order to support their economic development and to keep their economy moving forward. But our principal focus with the Andean Initiative is on the counter-narcotics and not counter-insurgency.

Senator HELMS. Thank you again, Mr. Secretary.

The CHAIRMAN. Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

[The prepared statement of Senator Feingold follows:]

PREPARED STATEMENT OF SENATOR RUSSELL D. FEINGOLD

I am pleased to welcome Secretary Powell here today. Since the Secretary last appeared before this committee in October, I recognize that he has worked tirelessly to bring together an effective international coalition to fight terrorism. And as the President and the Secretary of State have made clear on any number of occasions, the current coalition effort to fight terrorism must be waged on a variety of fronts. I believe the President's foreign affairs budget request for fiscal year 2002 begins

the important but difficult process of defining a broad range of diplomatic, military and foreign assistance priorities for the next stage of our global effort to confront terrorism.

The President's budget clearly recognizes that appropriate military actions, under the authority of the War Powers resolution, must be balanced by efforts to restrict terrorist financing, augment the reach and effectiveness of our foreign assistance programs, and improve our public diplomacy. I commend the President for giving careful consideration to the complicated, multi-faced nature of these foreign commitments. But in the coming months, as we shape the final budget, we must all struggle to ask whether these budget priorities meet our national security needs in this new and complex international environment.

One striking aspect of the President's budget request is the significant expansion it proposes in military spending, including through expanded military relationships with other countries. Over the coming months we must ask whether these new military commitments respond most effectively to the security needs around us. In reviewing the proposed budget, I will seek to highlight the shared constitutional responsibilities of both the President and the Congress in making critical decisions concerning our international military commitments. The Joint Resolution adopted by Congress and signed into law by the President in September provided the President with statutory authorization to use all necessary and appropriate force against those responsible for the September 11 atrocities. But to preserve our constitutional framework and the popular resolve that has lent so much to our success to date, the President must recognize that as laudable as it might be for the U.S. to root out all bad actors around the globe, such action is outside the scope of the use of force resolution that Congress passed, and beyond the means of our current budget resources. As a result, we must work closely with the Administration to design an effective and cost-efficient response to the global threats that confront us.

We must also ensure that these military commitments leave sufficient foreign aid resources to build safer, healthier democratic societies around the world. For we must all now recognize that economic development and global health are indeed important and long neglected components of a comprehensive national security strategy. The budget must similarly offer adequate support to promote human rights, the rule of law and democratic reform, particularly within coalition countries with weak governmental institutions and difficult human rights records that have nonetheless made the choice to side with us in the fight against terrorism. Indeed, we must demand attention to human rights and democracy as a basis for building a mature relationship with these new coalition partners, and our foreign affairs budget must provide the resources to accomplish this important objective.

The President's budget also recognizes that we must ensure that our close strategic partners are not ignored as we move forward in building a new and unprecedented coalition against terrorism. We must act to reassure those states, although we must simultaneously recognize that there are few areas or regions of the world that have not been touched by the devastating events of September 11.

As Chairman of the Subcommittee on African Affairs, I will also carefully follow the budget process as it affects our relationships with African states. And while I recognize that urgent needs in South Asia will require significant foreign assistance resources this year and in the years ahead, I will work to ensure that sub-Saharan Africa, a region with tremendous needs, will not be left short in an effort to free resources for other parts of the world. I also urge the Secretary to seize the public diplomacy opportunities that exist within these new budget priorities to reach out to African Muslim communities, and to use the new Peace Corps expansion to promote health and development across the African continent.

We all have much work to do to craft a final budget that responds adequately and responsibly to the complex new environment around us. I look forward to working with Secretary Powell and the Administration to accomplish that task.

Senator FEINGOLD. Let me first thank you for your leadership in general but especially for your comments and your leadership on the HIV/AIDS issue. I am greatly looking forward to the hearings next week and I can't think of anything that is more pressing for the committee and you have devoted a lot of your effort to it and I thank you for that.

Mr. Secretary, I appreciate your statement and I can safely speak for the people in my state in saying we are grateful for your tremendous leadership.

I am eagerly awaiting the release of the annual Human Rights Report from the State Department later this month.

In advance of the release, I wonder if you could describe how you might respond to some of the rather delicate diplomatic dilemmas that are often raised by the annual reports. If the previous years are any measure, and I think they will be, I believe that we can expect that the current reports will highlight significant concerns over the human rights practices of even some of our new partners on the war against terrorism.

How difficult will it be in your opinion to engage in constructive dialog over human rights practices with some of our partners, particularly in Central and Southeast Asia and the Middle East without also then alienating our coalition partners or undermining the seriousness of the human rights concerns?

Secretary POWELL. I think over the years, we have established in that report that we are going to call it the way we see it. And last year, the first year that I had responsibility for it, the staff did it. They worked with the embassies. They called it the way they saw it. We looked through it carefully as it came up. But when it came to me, it was done. I did not try to change a single word of it in anything that had been submitted to me.

A number of our friends were unhappy with the characterization of their society and their political system. We will talk to them about it, and show them where improvement is necessary and show them the standards required by the report.

We have a number of new friends, but we are not unmindful that a number of these new friends, Uzbekistan, Turkmenistan, Tajikistan, Kazakhstan, do not have the kind of political systems yet that we think are appropriate to the 21st century. And we have no reservation about saying that to them.

I had a Foreign Minister of one of those countries in our office yesterday and we talked about this very candidly. Corruption, human rights, religious freedom, all of these things are important in a relationship with the United States. And do not ever expect to have a meeting where we do not talk about these issues, even though I am complimenting you in the next sentence about what you have done in the war against terrorism.

Senator FEINGOLD. You do not anticipate any diminution in the use or the utility——

Secretary POWELL. I will have some difficult moments on the telephone or in meetings but that comes with the job. We will point out human rights failings, deficiencies, as we have detected them and so you can expect a human rights report that will be in the same tone and tense as last year, Senator, even though we have found some new partners to work with. We are pushing them in the right direction.

Senator FEINGOLD. I thank you for that answer. Obviously urgent needs in South Asia will require significant foreign assistance resources this year and in the years ahead and given the very stark budgetary realities that I was reviewing over in the Budget Committee today, I fear that sub-Saharan Africa, which you have already discussed, will be shortchanged in order to free up resources for other parts of the world.

Can you assure me that this is not the case and it is not the administration's intention that the portion of the foreign assistance budget devoted to Africa be decreased in the year ahead?

Secretary POWELL. It is not our intention. As you know, as you go through the year, things happen, requirements come along. I will do everything I can to protect what we have in the budget for sub-Saharan Africa because the need is so great.

I think you'll note that we have done pretty well by HIV/AIDS with another \$100 million from the State Department and another \$100 million from the Health and Human Services account to make a contribution of \$500 million to the Trust Fund within the last year alone.

Senator FEINGOLD. Perhaps I could pursue that a little bit. I am not certain that I am pleased with the level of funding for the Global AIDS Fund from the United States. I was concerned by press reports indicating that the administration is proposing the United States make a \$200 million contribution to the Global Fund for AIDS, tuberculosis and malaria this year.

I understood that was the same pledge as last year. The administration, at the time when some of us indicated that wasn't enough, recognized the problem and we were told that the contribution was only the beginning.

Could you explain how that \$200 million is arrived at and is there something beyond that I am not aware of?

Secretary POWELL. The initial commitment last year to get the fund started was \$200 million. And then in the course of the year, with the assistance of the Congress, another \$100 million was added for a total of \$300 million. And then in this year's submission, there is \$200 million, \$100 million out of my account, \$100 million out of Tommy Thompson's account, for a total of \$500 million over a period of about a year and a half.

I would love to have made it a lot more in fiscal year 2003 in the request. But in light of all of the other things that have to be dealt with, \$200 million was deemed an appropriate contribution, and the Global Trust Fund is off to a good start with \$1.7 billion. So we thought an additional \$200 million in 2003 was appropriate in light of all of the other constraints that exist within our accounts and within the overall Federal budget.

Senator FEINGOLD. Well, I certainly hope you are right. It is my sense that it is not adequate and I will be pressing for more, but I appreciate your answer.

Finally, Secretary Powell, I have read reports of terrorist networks in Southeast Asia obviously with interest and alarm. I noted that Indonesia is coming up again and again in these reports. But I have been a bit puzzled to see some in the administration suggest that these reports should prompt the United States to abandon restrictions on military assistance to Indonesia, something I think you and I discussed at the time of your confirmation.

I think that we can all agree that encouraging greater stability in Indonesia is unquestionably in the United States national interest but there is some disagreement about how to get from here to there. I am concerned that if the United States abandons efforts to encourage reform and respect for human rights and responsibility

in the Indonesian military, we will in fact be encouraging greater instability in that critically important country.

Do you agree that the United States should continue to pursue policies that push for reform and accountability from the Indonesian military?

Secretary POWELL. Yes, sir.

The CHAIRMAN. Senator Lugar.

Senator LUGAR. Thank you, Mr. Chairman.

Mr. Secretary, I appreciate your mentioning the African Growth and Opportunity Act and the good results that have come from it. I think they are very important. The emphasis that you are placing on that is exemplary. Likewise the additional moneys for the ISTC, the International Science Technology Center seems to me funds well placed in dealing with Russian scientists who were involved in Soviet nuclear, chemical, and biological weapons programs. This is perhaps one of the most important efforts in responding to the threat of proliferation as well as establishing relationships with these people. I want to commend that addition.

I want to mention the Biden-Lugar debt-for-nonproliferation swaps with Russia. The chairman mentioned that in a speech he gave here in Washington yesterday, and I noted the press accounts of that. It is a difficult proposition in part because the Russian debt to us is much less than, for example, their debt to Germany.

When I was visiting with Germans, they're very sensitive about the proposal. But at the same time, it makes good sense. I just trust that you are thinking about that, and potentially employing it. I know in my visit with Miss Rice that she had given some thought to that and I just want to underscore the utility. Likewise, you have visited with former Russian Prime Minister Kiriyenko about the elimination of chemical weapons, which was very important.

One disturbing aspect of this, and perhaps this was part of your discussions and negotiations, is the inability of the United States to sign off on certifications that are required for the release of funds that had been appropriated by Congress. Now it has been a struggle as you know for us to work out with our House colleagues support for this project at Shchuchye, which is critical, and to which now Germany, Great Britain, Norway and Canada have committed resources.

I know you share my concern for this problem, and without knowing the particulars as to your conversation with Kiriyenko, I am hopeful progress can be made in the near term to start the destruction of these dangerous weapons.

Last month I visited NATO headquarters in Brussels. While there I gave a speech in which I advocated the compilation of two lists of threats. One, the list of countries that have al-Qaeda or other terrorist threats that the President has now outlined in the State of the Union. The second list includes countries that have either materials programs or weapons of mass destruction. As the President has pointed out, the intersection of any of the participants in these two lists is potentially fatal to our NATO allies, quite apart from the serious blow to us. I think they understand that.

You have heard the concerns that our NATO allies have expressed on whether they have been passed by or ignored in Afghanistan, but the point that I tried to make was there are many things they can contribute: intelligence, good police work, and interdiction of funds. A number of things can be done that do not require strategic lift capacity, smart weapons, or other military assets.

In other words, as opposed to grouching about being passed by, there are instrumental things they can do to contribute to the war on terrorism. Many understand this and are making tremendous contributions. But I want to stress that we diplomatically work with our NATO allies to point out how important they are, not how irrelevant they are and I heard both sorts of testimony by administration officials at Brussels. I tried to weigh in on the side of importance of the alliance, as I know you would.

Let me just mention one more thing. That is I saw that the Russians are back in Afghanistan, New York Times had a story about Foreign Minister Ivanov there. Not a surprise. And Iran reportedly denied any activity in the Herat area and so forth but the neighborhood is still a rough one. The President told, as you quoted today, Chairman Karzai, the United States is committed to playing a leading role in the reconstruction of Afghanistan.

Our chairman, Chairman Biden has spoken out on this issue both during his visit there as well as subsequently. I would like to also. I really believe this is a critical moment in United States' foreign policy. This is a tough issue and I know the administration is still debating the proper policy and that is why this is not an adversarial comment.

It simply appeared to me that Chairman Karzai was confident that the United States military was going to be in Afghanistan for a while. I believe that everyone in the region has confidence that the United States is going to be there, that others are not going to meddle or waiver, namely Russia, Pakistan, Iran and others that have been difficult in the past.

Now, our military assistance providers apparently are going to be there and I have great hope in that thought. But it seems to me that although we are sending a good sum of money \$290 million, to Afghanistan, and maybe more to come, we really need a comprehensive plan to make that a success. I thought Michael McFaul's article in the Washington Post today was right. This needs to be the next Germany. We need to send a signal to that part of the world that supports human rights, democracy, economic success as opposed to a basket case, which I fear it will become even with Chairman Karzai, a leader of great stature. So with all these thoughts, I have exhausted most of my time but I would like your comment.

Secretary POWELL. If I could just touch each one rather quickly. On the debt swap, I have repeatedly offered up German debt but the Germans are not quite biting. Seriously, we are in serious conversations with the Germans and Chancellor Schroeder.

Senator LUGAR. They understand that, too.

Secretary POWELL. Oh, they understand that, yes. We are looking for some creative ways to do exactly what you describe, use our debt and the German debt, and see if that can be converted in a way that makes sense to fund some of these destruction activities

within Russia. On Shchuchye, I think we finally got the certification cleared up.

I can not tell you this morning whether or not all the papers have been signed, but I assured Mr. Kiriyeenko that we are almost there. And that will release \$50 million if my memory serves me correctly. The contribution of NATO, I could not agree with you more. The fact that we did not take everything off the menu that they offered should not be a condemnation. It was an embarrassment of riches, that the alliance was offering all it had.

There were limits to what General Franks could use and put into the theater and what he really needed. It should not be seen as criticism of NATO that everything they offered was not taken up. When you look at what NATO offered and what the whole EU offered, it was considerable. As you noted, Senator, it was just as important a contribution for them to go after financial infrastructure, intelligence sharing, and all of the things that did not require a smart bombs or a C-17 airplane. And they are doing that, and they are doing it well, and we should applaud them and not snipe at them, because they are making that contribution in that way.

With respect to Russia and Afghanistan, I did see a picture of my good friend, Igor Ivanov, getting off the plane at Bagram. The chairman did not mention it this morning. I saw Colonel Bigelow 10 days later and I congratulated him, by the way.

The CHAIRMAN. He was stunned when I told him the Secretary of State was on the phone.

Secretary POWELL. In any event, Ivanov told me he was going, I knew he was going. I am sure he will call me tomorrow to tell me how the trip was. But I can also tell you that the great game is not going to startup again. We cannot have that. And everybody is trying to cooperate, to make sure that the interests of Afghanistan and the Afghan people are served and not any of the neighbors.

All the neighbors are best served by a stable Afghanistan moving in a direction you described. They want our presence there. We contributed \$297 million in this first year and it will be a recurring cost every year.

It is not in the budget this year because we do not know what that number will be yet, but they want our U.S. military presence. General Franks and some of his people will be there for a while hunting up al-Qaeda and Taliban. The International Security Assistance Force is coming in with U.S. enabling. We have to help them get there. So there will be a U.S. presence. But the President is quite determined that we not put U.S. combat units on the ground to essentially perform military police and security kinds of functions. There are other units of other nations that can do that.

The big challenge, Senator, is to assist them in every way possible to create their own national army and their own national police force because those are the people who are best able to provide security in Afghanistan, and not trying to saturate the whole country with infantry battalions. There are not enough infantry battalions in the U.S. Army or in the International Security Assistance Force to do that. So the IASF should take care of the hot spots or difficult areas that might be there while the Afghan Army and national police force are being built as rapidly as possible.

The major contribution we can make to Mr. Karzai is to help him with building up that national army and national police force. The Germans have also volunteered to play an active role in the national police force construction.

Senator LUGAR. A framework long enough for them to succeed.

Secretary POWELL. Yes, sir.

Senator LUGAR. Thank you very much.

The CHAIRMAN. Senator Sarbanes.

Senator SARBANES. Thank you very much, Mr. Chairman.

Mr. Secretary, we are pleased to have you here. Nice to see you.

I am very strongly supportive of your budget. In fact, I don't think it is adequate but it seems to me that in this challenge we're now confronting that there is a whole range of programs and activities under your jurisdiction that are extremely important in terms of whether we are going to be successful.

Do you agree with that?

Secretary POWELL. Yes, sir.

Senator SARBANES. Not only in the immediate effort to deal with terrorism but also in advancing U.S. interests around the world. You have been the leader, I think, in making the point that we have to build these coalitions because if we are going to dry up this environment, we need the support of many others around the world in order to do that and therefore need to support a whole range of programs.

On the face of it, the HIV/AIDS effort in Africa may not seem to be connected. Of course, the basic rationale for that is very much a humanitarian one but it also affects the perception of us by a significant number of players in an important continent, not only in this continent, but elsewhere as well. Doesn't it? Doesn't it have that spillover effect in terms of the U.S. posture?

Secretary POWELL. Yes, it does. People are looking to us to help solve this catastrophe in the sub-Saharan Africa.

Senator SARBANES. On many other issues as well, and if you do not have the resources with which to address these questions, it seems to me we are going to be markedly handicapped in exercising that leadership.

Secretary POWELL. I agree. I could use very effectively any additional moneys that were made available to me in almost any account on my list of accounts. But within the constraints of the Federal budget and the priorities of the President, I am pleased that we were able to get an almost 5 percent increase in our foreign operations and State operating accounts. But I could use whatever else the President or the Congress would choose to give.

Senator SARBANES. Now, is it really the proper balance that your accounts go up by about 5 percent, not taking into account inflation as I understand it. And the defense budget is going up 15 percent.

Now, it seems to me there is a disproportion here. Of course, your budget is a lot smaller than their budget, so you could get a bigger percentage increase. It doesn't cost as many dollars. But what's the underlying rationale? I know the defense budget is important, and I'm obviously along with many others are going to be supportive of it but what's the underlying rationale for such a disproportion?

It seems to me if you had a little bit of that, if some of that money that was going into defense were shifted over to your budget, the benefit to us would be greater, because you gave some programs that are sort of limping badly. And if you could give them a boost, the benefit to the national security and the national interest would be greater by a little better proportion between the defense budget and your budget.

Secretary POWELL. One could, of course, make that argument to any account in the Federal budget. In this case, because of the lack of investment in the Defense Department in recent years, they have a large need to replenish accounts, to build new fleets of equipment, and to deal with the transformation effort that is so badly needed that Secretary Rumsfeld has designed. And so looking at all of the needs, all of the departments of the Federal Government, the President made his judgment that he had to give priority within the total budget amount to be allocated. He had to give priority to the needs of the Defense Department, and was not able to give as much to the State Department as he might have wished or I might have desired.

Senator SARBANES. Well now what's the total amount of your budget?

Secretary POWELL. Roughly \$25 billion.

Senator SARBANES. And the Defense budget is what, \$379 billion?

Secretary POWELL. I do not have it in front of me. I think that is about right.

Senator SARBANES. So that is about 15 times larger than your budget. It seems to me that you really do not have the resources with which to do the job that is in front of you.

There are many opportunities for an effective use of resources by the State Department if you had the resources. It could significantly advance America's interests. I am not arguing that the Defense people ought not to get an increase. I think the case can be made for that, but it seems to me there is just a real disproportion here, particularly given how much smaller your budget is, so that a little bit of extra money on your side, as opposed to the Defense side, will go a long way in terms of achieving these objectives. It is not as though your budget were anywhere near theirs. As I said, their budget is about 14 or 15 times larger than yours, so just a tiny fraction shifted over to you would make a big difference.

Secretary POWELL. I am in a terrible position because I used to argue against this vociferously in a former life that I had. I do not think you should make that kind of comparison. I could make that comparison against the Social Security accounts or any other account. It is not necessarily that you buildup State at the expense of Defense.

The President has to go through with his Cabinet, and with his OMB, and with his advisors, to make a judgment that within this amount of dollars that is going to be available for the Federal Government, this is how it is going to be allocated. And if somebody wished to increase the size of the State Department account, it does not necessarily have to be at the expense of the Defense Department accounts. It can be at the expense of the overall top line of the Federal budget or somebody else's.

Senator SARBANES. Well I was really putting it in that context because you both are working in the national security field. In other words, the State Department is also a front line for the national security interests, just like the Defense Department, so you are both working, in a sense, under the same rubric. And then the question becomes is the allocation a proportionate one in terms of trying to achieve our objectives and it just seems to me that it is clearly disproportionate. I see that my time has expired.

Secretary POWELL. The CIA is also in this position. What the President is faced with is looking at the requirements of each of the Departments and determining how best to serve those requirements within the constraints of the overall top line and how to prioritize the allocation of the money available to him as he sees it. And in the judgment he made, I am pleased that I was able to get an increase.

Senator SARBANES. Presumably seeing the allocations, you have not been moved to want to shift Cabinet positions?

Secretary POWELL. No, sir.

The CHAIRMAN. Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you.

Mr. Secretary, welcome. I want to at the outset congratulate you, your team, the President, the administration for a remarkable year. You have not only given the leadership in a cohesive relevant way to this country and to the world, but in fact, you have begun something that is in my opinion very much in a historical way a major redefinition of relationship's coalitions that sets the course for the world, that rarely come along in the history of man, and for that, you all deserve great credit.

I think as you have laid out very clearly this morning that the difficult part of this is yet ahead. Not that what you accomplished over the last 5 months was easy, but I believe the great challenges lie ahead and you laid them all out and you laid them out very clearly.

One of the points that you made which has continually been made by the President and others is the importance of our coalition. As Senator Biden articulated in some detail, and you of all people understand it quite well, the military, the training, the commitment of our people is again of historic proportions.

In the history of man, I doubt if there has ever been a military or leadership of that, that is so professional and driven by a goal of making the world better and more just. As much of the success in Afghanistan and central Asia so far that can be attributed to that and a great deal can be, the relationships with our partners I think also play a very significant role in that and if we are to move on and do other things, and take advantage of the noble cause, that is ours, in my opinion it is going to require even more of a cohesive coalition.

Your good friend and former colleague, General Scowcroft said yesterday that in his opinion the war on terrorism will be much decided by intelligence and by cooperation. You know this and you have been on both sides of it.

Where I am going with this is in your definition and explanation of what the President said the other night, "axis of evil," as you said a very clear statement, but you also know because you are one

of the very few in this administration who ever has really known war, not known war firsthand but the consequences and once you get started down a track, you take a nation down a track, you cannot in State Department parlance, walk it back.

Words have meaning. Symbols have meaning. You, too know that very well. There are expectations that come with words, there are consequences that come with words. There is a follow-through and a commitment that has to come with words. "Axis of evil" is not a throw away speech line. Maybe some think it is. I don't.

I think a lot of people in the world are serious about that as well, or they should be. I was a little concerned at somewhat of a cavalier attitude that I have heard from this administration and I have known you too long to know that you do not play that way, but here this morning, one of your comments about something of the effect that if it was too shocking for some, well, that is just the way it is.

This is serious business, as you know. I want you to succeed. I want the President to succeed. I think everybody in the Senate and the Congress wants this President to succeed. We do not want to see you unravel what we have done. Senator Lugar's point about commitments and resources and all the rest that must go into Afghanistan, we have just begun.

You also articulated clearly, we are probably in, my words, the most dangerous time in the Middle East since 1973. We have two nuclear powers eyeball to eyeball over Kashmir. You laid out all the other or some of the many other troubled spots in the world. You also said that we cannot field enough divisions to take care of all of it. And then with the President's statements, new definition of the category of evil, which Chairman Biden asked some relevant questions, what about Russia being one of the great suppliers of this and China and Syria and others.

I think, Mr. Secretary, we have to be very careful here what we are doing. I just finished and I know you do not have time to read these things anymore, because you are trying to run a lot of parts of our world. I just finished the new book that Michael Beschloss wrote, of which you may have seen parts, called "Reaching for Glory: Lyndon Johnson's Secret White House."

And you know because you served two tours in Vietnam and were wounded there and commanded troops there and saw much of the folly in the conduct of the war, not the purpose of the war, not the noble cause of the war, but the conduct of it. That consumed Johnson, and why did it consume him? It consumed him because he did not know how to get out. He got us onto a course. It wasn't only Johnson, we recognize that. But we got into something that we couldn't get out of. It destroyed Johnson, destroyed his Presidency, reshaped American politics for a generation.

We could continue to debate that war but the point is this. When we say things and we set the Nation on a course and we say we are going to do this no matter what, that makes people uneasy because there is some expectation that falls in behind that. This is not an issue, Mr. Secretary, of whether you agree with the governments of Iran or Iraq or North Korea, they are all bad governments. That's not the issue, that's the easy argument here.

The tough argument is what do you do about it, how do you influence it? The behavior of those nations with coalitions, with your partners. I made a speech and I recognize that, but I also wanted to convey something that to many of us, Mr. Secretary, this is not a cavalier, funny business here. I know you did not mean to say that but there is some in this administration that I think are taking it that way, and so what if our sissy European allies do not like it.

Actions and words have consequences that are very dangerous at a time in the history of man when there is very little margin of error left. As I've said, I have known you for a long time and respect you too much not to be very direct with you on the concern I have. And with that I know I have trespassed on my time and your patience, Mr. Secretary, but thank you.

The CHAIRMAN. Please.

Secretary POWELL. It was not a rhetorical flourish. He meant it. He did set the Nation on a course. He was trying to make the point to our friends and allies, coalition partners and like-minded people around the world, that these are very dangerous regimes. And it is not enough just to say they are dangerous regimes, that action is going to be required.

It does not mean the war is going to start tomorrow or that we are going to invade anybody. In fact, it may mean, in the short-term we focus on the policies that we have in place with respect to each of the three countries he mentioned and other countries that might have been mentioned. And it was not with a cavalier attitude of dismissing the contributions made by our alliance partners. We value them. And I have spoken to a lot of my alliance partners since the speech was given to make sure they have it in perspective.

But it was not just a rhetorical flourish. You heard President Bush speaking in a way that was intended to rally the forces of civilization against these kinds of regimes and to put us on a course that would eventually cause them to change or to be changed, and not necessarily by an invasion or by cruise missiles going in but by the weight of this alliance that you spoke of being brought to bear against these kinds of regimes and the actions they are taking.

We are not unmindful of the proliferation possibilities and the things that are happening in Russia and China, but we know how to work with them. We know how to deal with them. There are ways to have dialogs with these countries that show that they are moving in the right direction, and as Senator Lugar knows and you know so well, sir. But with the regimes the President spoke about, you do not have quite that same opportunity.

If they want to take that opportunity, if they want to have a dialog, if they want to stop supporting terrorist activities, if they want to start feeding their people and not developing longer range missiles which they intend to sell to others, then let that dialog begin. They have nothing to fear from America's Armed Forces because we can solve them politically and diplomatically in concert with our alliance partners. And I never dismiss or am I dismissive of our alliance partners. I spend most of my time making sure they are part of the alliance, like-minded nations applying a set of values to the kind of challenges we are facing.

The CHAIRMAN. Senator Chafee.

Senator CHAFEE. Thank you, Mr. Chairman. Mr. Secretary it is good to see you. Thank you for all you are doing for the country. I'd like to commend Senator Hagel for his statement. Very courageous.

Yes, there is little margin for error and I do think we need friends in the world. We don't want enemies obviously. Sometimes rhetoric can drive wedges rather than bring people together and Senator Hagel knows from whence he speaks having served in a situation of war.

I'd like to also followup on Senator Sarbanes' questions about balancing the ER funds and you did say that if you received more money, you could put it to good use. And how could you do that if you were fortunate enough to receive more money as the process comes to Congress?

Secretary POWELL. I could start at the top and run down. But I would love to have more international military education and training to get more of these officers in nations that are now moving in our direction into our military school system, working with the Pentagon to expose these officers to values and start to change the nature of their armed forces and what an armed force is supposed to do in a democratic nation.

I would love to put more into HIV/AIDS. I would love to have more money available for economic development activities. I would put more into our food accounts. There is no limit to the opportunities I would have to spend money wisely. But money is tight. We have our budget problems. The President determined what the Nation can afford at this time. And also we are in a deficit. He heard from all of the Cabinet departments. He knew our needs and he made what he considered was an informed and balanced allocation of the resources that he thought the Nation made available to him.

Senator CHAFEE. I certainly do respect that and since the President's budget, now the process comes over to our side of the branch of government, and do you submit a request to the administration or to OMB?

Secretary POWELL. Yes.

Senator CHAFEE. Is that a public document?

Secretary POWELL. No. I do not think so. We go through our internal—nice try.

Senator CHAFEE. Why not?

Secretary POWELL. We go through our internal process within the Department. We get more requests than we know we can fund. So we have to do our own pruning within the Department. Then we submit our request for the two accounts that fund the operations of the Department of State—Commerce, State, Justice and then Foreign Ops—and we submit it to OMB and the fight begins.

I have been in OMB. One of my earlier incarnations in life was to serve in OMB for a year. So I know what they go through down there. They have to handle a lot of different requirements, often competing and making their recommendations to the President as to how he should allocate what he believes should be available to them. And that is a process we go through. They have a pretty good understanding of what our needs are. The OMB analysts that

work with us, they know these accounts as well as my people do. It is a good dialog of equals.

Senator CHAFEE. And if, again, to followup, if you were so fortunate again to receive more funds, certainly the Congress would want to make sure we are addressing the areas that your Department has prioritized. I am sure that members here have their own priorities but you would want them in some kind of concert and so I will look forward if that were to happen to occur, because I certainly do agree with Senator Sarbanes in fighting the war in terrorism. It's important to fight the despair and poverty and lack of health and education that breeds the disenfranchisement that leads to discontent and hatred and unfortunately ultimately for whatever reason is steered toward us and is at the top of the heap.

I do think there is a balance, to fight the war, perhaps more resources should be as some of the civilized countries are saying toward a new Marshall Plan, or at the bottom of the 22 developed countries in percent of GNP toward foreign aid. I think we have to address that as part of the war on terrorism.

Secretary POWELL. Thank you, Senator. Should the Congress in one form or another see fit to determine that the State Department accounts should receive more in either the budget or the supplemental process later, I can assure you we would apply it in a very effective way to achieve the goals you just described.

Senator CHAFEE. Do you agree with me on the success of the war on terrorism should include more of, I do not want to use the cliché too often but new Marshall Plan involvement in the poorer countries of the world?

Secretary POWELL. Yes, sir. I am not sure I would use the Marshall Plan image because the Marshall Plan was essentially loan guarantees to rebuild industrialized societies. But I think a new kind of plan would be appropriate for some of these poverty stricken countries. It has to be something that matches political and economic developments within the country and not just money down the rat hole to corrupt countries that have not made the fundamental choices of moving to market economies and moving to democratic systems and having transparent political organizations in their financial and law enforcement sector, resting it all on the rule of law. To put money into places like that is frankly not wise in my judgment.

You may have to help them with food because their people are starving. But you cannot, we can no longer invest in places that cannot use the investment in a sensible way, nor can we encourage private investment to go to places where the rule of law does not exist or corruption is rampant. If they do not have transparency in their system their political democracy and economic democracy is not mature enough, then you cannot be sure the money will be well spent.

Senator CHAFEE. Of course the difficulty there is even walking away from even trying to find out how we can invest in these countries just because of the fear that it is going to end up in some Swiss bank account, our hard earned tax dollars by some despot and meanwhile we are not joining with the other civilized countries that are trying to find a way, realizing that some of it might not

be as effective as we would like to be but hopefully designing some kind of a mechanism to help these countries.

Secretary POWELL. Yes.

The CHAIRMAN. With your permission, it is about 12 minutes before 1 o'clock. Can we keep you another 10 minutes or so, and I will share the time with all of our colleagues here. But I want to ask you, with regard to your budget, in fact, you may be up to a quarter billion dollars short of what you are asking for, mightn't you, because we pledged \$296 or \$297 million at Tokyo, and because it occurred after the budget requests, that is not in this budget.

Do you know whether or not it is going to come out of your budget, or is it a supplemental?

Secretary POWELL. The \$297 million is out of 1902.

The CHAIRMAN. Out of 1902, and you are able to get all \$297 million out of 1902.

Secretary POWELL. Yes. My experts assure me.

The CHAIRMAN. Well, I'd like for the record, if you would, not that I doubt it, I'd like to see it.

Secretary POWELL. I have an exhibit that shows the source of the \$297 million.

The CHAIRMAN. You need not do that now; you can submit it for the record.

[The following information was subsequently received:]

AFGHANISTAN FUNDING (TOKYO ANNOUNCEMENT)

[In millions of dollars]

In FY 2002, we are going to provide Afghanistan reconstruction assistance totaling \$296.75 million. Funding breakout is:

Emergency Response Fund Supplemental	\$107.60
P.L. 480 Food Assistance	30.00
International Disaster Assistance	22.00
Migration and Refugee Assistance	52.60
NADR Demining	3.00
FY 2002 DOD Appropriation	50.00
International Disaster Assistance	50.00
FY 2002 International Affairs	139.15
Development Assistance	12.00
Transition Initiatives	6.00
P.L. 480 Food Assistance	47.00
Agriculture 416(b) Commodities	44.90
Economic Support Fund	17.25
NADR Demining	4.00
International Counter-Narcotics	5.00
International Organizations & Programs	3.00
Grand Total	296.75

Secretary POWELL. But it is an open item right now for FY '03.

The CHAIRMAN. Yes. I was, for a second pledge——

Secretary POWELL. Yes.

The CHAIRMAN. I got you. The recurring costs associated with that. And I, to the extent you can enlighten us on that, it would be useful for the record. Second, I think you have probably sensed, I suspect there is a consensus, at least on this committee that with all the great effort in Afghanistan so far, spending a billion dollars

a month, or is it a week now? A billion dollars a month pursuing what we have been doing, that the hard part is really coming now.

And I see no way, Mr. Secretary, and I think my colleagues, Senator Lugar and, well, a number of Senators and the chairman can speak for himself, I see no way that Karzai has any shot of implementing the Bonn plan and 2 years from now there being in a democratic government after a Grand Council is called, without the extension of a multilateral force to other areas within the country, other municipal areas.

And if we can do that without the United States having two feet on the ground and men in uniform, great, but if we cannot, if our allies say as the Brits said to me when I was there, how long do you think my parliament is going to let me stay here, if in fact you guys are not here? Whatever formula you come up with, I strongly, strongly, strongly urge that we not get hung up on this nation building malarkey. I promise you, as one Democrat, I will never call it nation building as long as the President does not. Because there is a need for the United States to be involved in a security force, whether it is guaranteeing extraction capability, whatever you divine, we have got to keep multinational force there and extend it to Herat and Mazar and other places, in my humble opinion.

I am not asking you to comment.

Secretary POWELL. All of that is under consideration, Senator, and in our conversations with the Brits, and the Germans and the Turks and others.

The CHAIRMAN. You are incredibly well respected, as is the President, and I am confident that you can get it done. But I am also confident if we do not get it done, this basically is a lost cause.

Let me skip quickly to START II. The deal when the Russians ratified START II was that if we abandon ABM, START II was out. I realize you have other discussions going on, I realize we are talking about lower numbers, I realize you are talking about the fact of codifying that somehow. And we will have plenty of time to discuss that, hopefully.

But one of the things that START II did which everyone thought as such a gigantic breakthrough, that Reagan tried, the first President Bush had tried and succeeded in getting agreed to in principle, was no MIRV'd ICBMs. Our folks in the intelligence community are telling us now, I think I can speak this publicly, that they are contemplating keeping MIRV'd weapons, and even working out their financial crunch by emphasizing MIRV'd weapons, which you as former Chairman of the Joint Chiefs know, they are the first things you aim at because they are the most dangerous and somewhat destabilizing.

Does any part of this new discussion underway relate to trying to preserve the two things I thought most valuable about START II, no MIRVs, and two, enhanced verification? Are they part of the equation?

Secretary POWELL. Let me answer in two ways. One, the strategic framework discussions we have ongoing now are off to a pretty good start. Under Secretary Bolton and his administration colleagues met with Ambassador Mamedov last week and had a good set of discussions as to what should be in this new, legally binding,

codified agreement. And we are looking at how to bring forward from START I the verification and transparency features that we do not want to lose and what modification of various rules have to be made. And we are also looking at how to deal with START II, an unratified treaty; in other words, a treaty not in effect and in force. And we are seeing what we should do there. And so all of that is under consideration. The answer to your question is yes.

But here is a more interesting answer. President Bush has said to President Putin, "You want MIRV? Go ahead." And the point he was making is that it is a different framework. He is thinking about it differently. As you well know, we have been without an agreement that is legally binding. You do what you have to do to defend yourself. We will do what we have to do to defend ourselves.

We have made a judgment, independent of what the Russians do, that between 1,700 and 2,200 operationally deployed warheads, and some things that might be in reserve that could be generated, was enough for the United States to defend itself. And we were confident about that no matter what you did. If you feel you have to do something quite different, we are no longer in this lockstep symmetry that drove so much of the cold war period. And if the Russians had decided well, we are going to pick a different number and we do not want a legally binding agreement, that would have been fine with the President. It would have been fine with me.

The CHAIRMAN. I think there is a difference between lockstep and what stabilizes and destabilizes.

Iraq, very quickly. I said to you earlier, and I have been on record for sometime as saying I cannot imagine a safer, newer world 5 years from now with Saddam still around, and to me it is not a matter of if but how. But toward that end I would hope that at some point the President would not only indicate why Saddam is such a bad deal, but what is his vision for Iraq? Because as you know, one of the, and you were in the middle of the decision process at the time, one of the decisions President Bush made, and I am not second-guessing him, in the gulf war, was what happens if and when we take him out? What happens, what do the Kurds do, what do the Shiites do, what does Iran do? So I hope we are beginning to articulate this for our allies. One of the things they most wonder about is whether this administration has thought beyond, it is understandable, and whether I thought beyond when I talked about it, getting rid of the bad guy. What happens after that?

And I am confident knowing you, you have been speaking to the Turks and have been speaking with others. But I hope at some point, I respectfully suggest to the extent we paint a vision for the world to understand what we are looking for,—not dictating, not demanding, how we see a Iraq after Saddam. It may help on the second part, which I think is at some point getting consensus that we have to be much tougher on Saddam than we have been. And this is my final point. I mentioned this to you earlier. There was a very interesting article by Mr. Wines of the New York Times yesterday which you know a lot about, and we all do.

Lukoil, which is the outfit in Russia that has control of oil, has a very lucrative contract that was signed back in I believe 1997, I am not sure, maybe 1998, for the most promising oilfield in Iraq, that they believe is worth about \$20 billion to them. They have in-

licated at least on the circuit, whether they have indicated to you or not, that part of their reluctance to be as helpful as they very well could be on smarter sanctions with Iraq has to do with the amount of money Iraq owes them plus the opportunities that are available.

And as one person I met with up in New York at the World Economic Summit said, and I am just telling you what I was told, I am repeating a comment, this administration being an oil administration would give all those contracts to American oil companies and Russia would be out. But they expect to be some total close to \$40 billion worth of contract opportunities as the article lays out.

My question to you is this seems like a win-win proposition here. We ought to be able to work something out here. First, do you think that the Russian reluctance thus far, notwithstanding their beginning to cooperate more, has anything to do with the assertion that they have economic interests there that they think they will lose if Saddam is taken down? And if you do think it has something to do with it, have you begun to even explore possibilities with the Russians about that issue?

Secretary POWELL. On the last question, yes, economic opportunities in Iraq, plus the \$8 billion roughly of debt owed to Russia, has been a factor in their response to our efforts to achieve the smart sanctions policy. Also, the contracts that are currently in the queue that they are trying to process, we have taken all of this into account. We have had many discussions with the Russians about this and I think we are satisfying their concerns. I do not have a specific answer with respect to Lukoil. I do not think we have gotten into oilfield allocation issues yet. And I have not heard this commercial problem expressed in the terms of the Lukoil statement that you just made.

But I do know that there are a number of businesses in Russia that are concerned about their commercial opportunities with this regime, as opposed to the next regime. And that is part of our dialog with Russia.

With respect to your first point about thinking into the future, yes. What do we want to see in Iraq after? Who replaces him or them or it, if it is the whole regime? Another group of thugs from Tikrit? Or where? Or who? One country? Three? Bigger problem? Smaller problem? All of these issues we dealt with once before, as you noted, and a lot of people said, "Well, why did you make the decision not to go to Baghdad?" It was not made at the end of the war. That decision was made before the war. We were never going to Baghdad. The U.N. resolution said nothing about going to Baghdad; we would not have gotten a U.N. resolution if it had. This body, this Senate, this Congress passed a resolution that supported the U.N. resolution. Nothing in that resolution said anything about going to Baghdad.

The CHAIRMAN. I was not being critical.

Secretary POWELL. I know that. I just want to go through the history. So I have to think about that, and we are in the process of thinking through what Iraq would look like. Because it does remain U.S. policy to try to achieve regime change. That is separate and distinct from the sanctions policy, which is a U.N. policy.

The CHAIRMAN. I understand. To the extent the regime changed and the picture of what we looked for it to change to, not who, but a whole new lineup. For example, I am meeting today with the, what they call themselves the Iraqi National Congress representatives. And the first thing I am going to tell them is the same thing one of your generals, one of your emissaries to Israel told them, come up with the declaration of purpose. What do you see that country looking like? They have not done that yet. To the extent that that is done, you may find we have much less hostility about it. Senator Helms.

Senator HELMS. Mr. Chairman, I was thinking about years ago when Ronald Reagan was in office, and very often some of us met with him, and I remember one day you made a presentation in your uniform and you looked like a million bucks. You had an easel, you knew exactly what you were talking about, and you almost mesmerized all the Senators there. I do not remember if you remember that occasion or not. But anyway, President Reagan, he had a big thing about a pad that he would write a little something to me and slide it over and I read it and in that case it said, "He was pretty good, huh?" I said, "Greatest." He said, "Next job for him?" I said, I thought just a minute, I said, "Joint Chiefs," and slid it back to him. And he wrote "Chairman?" With a question mark. I said "Yep." And how prophetic that little old pad was that afternoon. But Mr. Secretary, you have done a great job throughout your career. You have done a great job this morning. And I thank you, sir.

Secretary POWELL. Thank you, Mr. Chairman.

The CHAIRMAN. We'll conclude with Senator Hagel.

Senator HAGEL. Only to state that the Secretary gets very mean if he does not get lunch, so I have no further questions. Thank you.

The CHAIRMAN. Thank you very much. Thank you, Mr. Secretary. I was about to call you Mr. Chairman.

[The hearing adjourned at 1:05 p.m.]

STATEMENT SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF SENATOR SAM BROWNBACK

Mr. Secretary, thank you for joining us today. You have a tremendously daunting job and I want to commend you and your staff for the dedicated and thoughtful way you address the multitude of difficult problems in today's foreign policy arena. Our nation needs your service now more than ever.

There are a number of topics we are all very interested in today: the war on terrorism, Afghanistan's re-construction and the tensions with Pakistan and India to name a few. But in addition to these specific areas, I want to elicit your thoughts on some of the ways in which we can put into practice the eloquent themes laid out by President Bush in his recent State of the Union Address.

Specifically, I was pleased to see the President illustrate the importance of democracy development and education outreach in parts of the world that have traditionally fomented anti-U.S. sentiment. I hope the foreign affairs budget will prioritize these areas along with military efforts to route out terrorist cells.

Another important tenet our foreign policy should pursue is economic development and expanded trade with countries in transition toward democracy. As we drain the swamps that breed tomorrow's terrorists, we must also lend a hand to those who want a better life, more freedoms and a stable economy for their people. In turn, this investment will provide benefits to the U.S.—not only by creating new markets for our high end goods, but also in creating new strategic allies around the world—in regions which have traditionally only seen America through the twisted lies they have been taught since childhood. We must have an active presence in regions like

Central Asia—countries that demonstrated their value and willingness to help during our fight in Afghanistan. Yet, many of these countries face fundamentalist, anti-Western factions in their own countries. Like Pakistan's Pervez Musharraf, there are leaders in these countries who are now willing to take a stronger stance toward democracy and open markets. We can not afford to fail to take advantage of this opportunity.

Just as we have agreed that the presence of open markets and trade will be a positive political force for nations like China, we must also look at preferred trade with Central Asia as a means of stabilizing a very important part of the world—and as an example to the Arab world that America can have a positive, peaceful and constructive partnership with Muslim countries.

One final point I would make to the Chairman and my fellow colleagues on this committee—I am pleased that the Senate has finally confirmed Ambassador to the Philippines, Francis Ricciardone. As many of you may know, the terrorist group Abu Sayf is holding 2 Americans hostage—Martin and Gracia Burnham of Rose Hill, KS. We need to have our Ambassador officially in place to do all we can diplomatically to aid in their return. I understand that nominations can become political pawns—but this was not appropriate when Americans lives are on the line.

Mr. Secretary, I look forward to your testimony—and thank you again, for your dedicated service to our country.

RESPONSES OF SECRETARY OF STATE COLIN POWELL TO ADDITIONAL QUESTIONS FOR THE RECORD

RESPONSES OF SECRETARY OF STATE COLIN POWELL TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR JOSEPH R. BIDEN, JR.

NON-PROLIFERATION CONTROL

Question 1. Following disclosures of illicit nuclear weapons activities in Iraq and North Korea in the early 1990s, the international Atomic Energy Agency proposed enhanced inspections of non-nuclear weapons states under a model protocol that 55 states have signed so far. To encourage all non-nuclear weapons states to accept these stricter safeguards, the United States and the IAEA signed a narrower Additional Safeguards Protocol in 1998. This agreement has yet to be submitted to the Senate for its advice and consent. Last year, the State Department indicated in writing to this committee that the administration's objective was to have this protocol submitted by the end of 2001. When will the protocol be submitted?

Answer. The International Atomic Energy Agency's (IAEA) international safeguards system, which provides confidence that nuclear materials are not diverted from civilian to military explosive purposes and that nuclear facilities are not misused to support covert nuclear weapons programs, serves vital U.S. security and nonproliferation interests. Additional Protocols strengthen the capability of the IAEA to deter undeclared nuclear activities in non-nuclear-weapon states and detect such activity should any occur.

The administration strongly supports wide-spread ratification and entry into force of Additional Protocols. The administration is engaged in an intense examination of the impact on U.S. national interests of the U.S. IAEA Additional Protocol signed in 1998. The administration hopes to have a decision shortly on submitting the Protocol to the Senate for its advice and consent to ratification.

Question 2. When do you expect that Russia will have met the preconditions that the United States and other NATO allies set at the Istanbul OSCE Summit for acting to ratify and bring into force the CFE Adaptation Treaty?

Answer. The administration is currently reviewing this issue. We are in the process of assessing Russia's compliance with the flank limits, based on inspections and other means of verification, and Russia's progress concerning the Istanbul commitments on Georgia and Moldova. We will continue to consult closely with the Senate as our review proceeds.

The Russians have made significant progress toward fulfillment of the commitments made at Istanbul regarding withdrawal of excess Russian equipment from the Conventional Armed Forces in Europe Treaty (CFE) flank region, and equipment withdrawal and closure of Russian bases in Georgia and Moldova. Russia claims, as of January 1, 2002, to have reduced its CFE equipment in the flank region to the levels set in the adapted CFE Treaty. The U.S. has a number of questions about the data and is working with NATO allies to verify the Russian claims. Meanwhile, important elements of the commitments with regard to Georgia and

Moldova have not yet been fulfilled. NATO Allies have agreed that they will seek ratification of the adapted CFE Treaty only when Russia has verifiably reduced its forces in the flank to adapted flank levels, and under conditions consistent with the commitments on Georgia and Moldova.

Question 3. At last November's annual conference of signatories of the Comprehensive Nuclear Test-Ban Treaty (CTBT), Russian presidential adviser Marshal Igor Sergeyev stated that Russia was open to: "additional verification measures for nuclear test ranges going far beyond the Treaty provisions. This could include . . . installation of additional sensors. . . ." What is the administration doing to pursue this opening? Would it not be in our national security interest—treaty or no treaty—to work out confidence building measures that would improve substantially our ability to tell whether an event that Russia asserted was a sub-critical experiment was in fact that?

Answer. The previous administration tried several times to engage Russia in discussion of nuclear test site transparency measures but without result. Sergeyev's statement was made contingent upon the entry into force of the CTBT, which this administration does not support. The administration does, however, see potential value in transparency measures that would help avoid or reduce any misunderstandings about test site activities. We are working with the National Nuclear Security Administration to identify specific transparency measures that we can support under the current moratorium.

NUNN/LUGAR PROGRAMS FOR INDIA AND PAKISTAN

Question. Last year as part of the Defense Appropriations bill, a proposal was adopted in the Senate urging the administration to study the advisability of implementing Nunn/Lugar nonproliferation programs in India and Pakistan where the potential threat of these materials or technology getting into the wrong hands is perhaps even greater than the Russian case. What are your thoughts on the feasibility of undertaking such efforts with these governments?

Answer. We share your concern and continue to stress to both governments how important it is that they not become a source of sensitive material and technology. We know they take this issue seriously and are confident they are taking strong measures to ensure the security of their programs.

As we consider the questions you raised in the Defense Appropriations bill, we will need to take into account a number of factors, including how best to address the potential proliferation problem and what steps are consistent with U.S. law and international treaty obligations.

Question. Does the President's State of the Union speech signal a change in our policy toward Iran? What is our current policy? Can you describe the role that official Iranian entities played in the recent attempt to smuggle weapons to the Palestinian Authority via the *Karine-A*?

Answer. U.S. policy toward Iran has not changed in any way on the fundamental issues of concern to us. We have serious and long-standing differences on Iran's support for terrorism and for groups violently opposed to the peace process, its development of WMD and ballistic missiles, and on human rights.

Since September 11, we have had limited coordination in established channels with the Iranians on Afghanistan, with mixed results. Iran contributed to the success of the Bonn Conference, but recent Iranian actions with regard to both Afghanistan and the Middle East raise doubts about the regime's commitment to follow a moderate course. The *Karine-A* episode, about which the U.S. has compelling evidence of Iranian involvement, former President Rafsanjani's comments on a nuclear attack on Israel, and Iran's aggressive assertion of influence in Afghanistan, have been particularly troubling.

The U.S. will continue to seek Iranian cooperation in achieving stability in Afghanistan, but we will not ignore the reality before us. While Iran remains the most active state sponsor of terrorism, it has the capacity to be a positive force in the region. We hope it makes the choice to become one.

MULTILATERAL EFFORTS ON WEAPONS INSPECTIONS

Question. Can you update us on the latest diplomatic developments with respect to Iraq? Has the administration decided upon a course of action with respect to Iraq? How would we respond if Iraq agrees to allow weapons inspectors in accordance with UN Security Council resolutions?

Answer. We remain fully committed to working at the UN to fashion an effective multilateral approach that focuses effective controls on preventing the Iraqi regime from developing weapons of mass destruction and rebuilding its military. However,

we cannot ignore Iraq's development of WMD and ballistic missiles or accept a multilateral system with ineffective or unenforced controls.

We have called on Iraq to allow the resumption of UN weapon inspections, but we will reject any attempt to compromise the inspectors' authority or reduce Iraqi obligations. Iraq must fulfill all its obligations under UN resolutions, including cooperating fully with inspections, accounting for Kuwaiti missing persons/property, and complying with the UN oil-for-food program.

COORDINATION OF IRAQI OPPOSITION GROUPS

Question. What specific efforts is the administration making to encourage the various Iraqi opposition groups to better coordinate their efforts? What steps have the groups taken to plan for the period following the fall of Saddam Hussein's regime?

Answer. The State Department is currently planning a broad based conference of Iraqi opposition groups and emigres that will focus on the future of a post-Saddam Iraq. This conference will serve the dual, complementary purposes of bringing together the full range of the Iraqi opposition in a cooperative forum, and preparing for the challenges that will face Iraq following the fall of the current regime. Discussion will focus on the future of the justice system, legal system, civil society, economy, public health, military, education, environment and building a free press.

Additionally, we plan to give grants to various Iraqi-focused NGO's, who, in consultation with U.S. and international experts, will prepare plans for post-Saddam efforts to improve the lives of the Iraqi people. This will include steps a new Iraqi government will need to take to prosecute Saddam Hussein and his top associates for crimes against humanity; to create a justice, police and prison system in accordance with democratic norms; to improve public health and health care, especially in areas underserved by the present regime; to improve Iraqi education so it promotes values of peace, justice and tolerance; to remedy the damage done to the Iraqi environment by the regime; to build a free press; to promote an end to corruption; to make the Iraqi military a unifying force in Iraqi society that can defend the country but does not threaten any of Iraq's neighbors; and to rebuild Iraq's economy so that it can provide jobs for the Iraqi people and spur and diversify the regional economy. We are consulting with a wide range of Iraqis, both in the opposition and those who are non-political, in the framing of these issues and in generating practical ideas that can be used by a new Iraqi government.

TRAINING OF IRAQI OPPOSITION GROUPS

Question. Has the administration provided any training to Iraqi opposition groups so that they are capable of carrying out the basic functions of the state? If so, please describe such training in detail.

Answer. The Iraq Liberation Act of 1998 authorized the Department of Defense to provide \$97 million in "drawdown of defense articles defense services . . . and military education and training . . ." to the Iraqi National Accord, the Iraqi National Congress, the Islamic Movement of Iraqi Kurdistan, the Kurdistan Democratic Party, the Movement for Constitutional Monarchy, the Patriotic Union of Kurdistan, and the Supreme Council for the Islamic Revolution in Iraq. To date, training has been provided to only the Iraqi National Congress in a broad variety of areas, including international defense management, water systems, public sanitation, public affairs, and war crimes. Future courses to be offered to the Iraqi National Congress and other Iraqi opposition groups include leadership management, disaster preparedness, and international communications. I refer you to the Department of Defense for further details on the training.

ALLIED AND REGIONAL SUPPORT

Question. What has been the response of Turkey, Jordan, Saudi Arabia and our NATO partners respectively toward potential U.S. action to change the Iraqi regime?

Answer. We consult regularly with friends in the region—including Turkey, Jordan, and Saudi Arabia—and elsewhere regarding Iraq. We believe our friends share the view that the people of Iraq deserve a better future in which the Iraqi government is committed to justice, the rule of law, and the rights of its citizens; lives at peace with its neighbors; abides by UNSC resolutions; and maintains Iraq's territorial integrity. We will continue to consult with them as we examine developments regarding Iraq and consider our policy options.

MULTILATERAL EFFORTS ON WEAPONS INSPECTIONS

Question. What steps has the United States Government taken to plan for contingencies in the event that the regime of Saddam Hussein were to fall? Would the United States be prepared to use its military forces as part of a multinational effort to preserve Iraq's borders and to prevent internal strife in a post-Saddam environment?

Answer. We are working closely with a variety of Iraqi opposition groups and non-governmental organizations to prepare the way for a secure, peaceful, and smooth transition to a post-Saddam Iraq. As we have repeatedly expressed, we support the continued territorial integrity of Iraq. To speculate at this time on specific steps that the U.S. might take would be premature.

ASSISTANCE TO POST-SADDAM HUSSEIN IRAQI GOVERNMENT

Question. What specific types of assistance would the United States be prepared to provide a post-Saddam government?

Answer. It is premature to address that question until we see whether a post-Saddam Hussein Iraqi government is prepared to commit to and uphold the principles of a government committed to justice, the rule of law, and respect for the rights of all the Iraqi people; that lives at peace with its neighbors; that complies with all U.N. Security Council resolutions; and that maintains Iraq's territorial integrity.

So long as a post-Saddam Iraq commits to these principles, the United States is prepared to work with the Iraqi government and the Iraqi people to help make a better future for the people of Iraq. While Iraq has considerable resources in its people and its oil, there will need to be a period of transition before a post-Saddam Iraqi government will be able to draw upon these resources to put those four principles into practice. The Iraqi people face a daunting series of problems caused by Saddam Hussein's regime, including in the areas of justice, health, education, a free press, role of the military in a free society, environment, and the economy. Iraqi civil society will need to be rebuilt almost completely. The Iraqi people will play the most important role in rebuilding a post-Saddam Iraq, drawing on the talents and resources of Iraqi émigrés around the world. The United States, together with our allies in the region and the world community, should be prepared to assist in ways to be determined with a post-Saddam Hussein government committed to the principles described above.

IRAQ

Question. Does the executive branch believe it is legally required to obtain authorization of the use of force against Iraq? If not, why not?

Answer. Any decision concerning the use of force is a momentous matter, and has to be dealt with in the context of the specific circumstances of a proposed action. It bears noting, however, that Congress has previously addressed the use of force in Iraq for certain purposes, beginning with P.L. 102-1 (January 14, 1991) which remains in effect, and subsequently in a number of additional laws and resolutions. (See, P.L. 102-190, Sec. 1095 & Sec. 1096 (FY 92/93 National Defense Authorization Act); P.L. 105-235 (Aug. 14, 1990); H.J.Res. 75, (Passed the House Dec. 12, 2001).) In addition, the President enjoys constitutional authorities to commit U.S. forces to protect U.S. national security interests in appropriate circumstances. Be assured, however, that the administration will continue to work closely with Congress on all phases of the war on terrorism.

MIDDLE EAST

Question. Press reports indicate that some in the administration would like to withdraw nearly all U.S. troops participating in the Multinational Force and Observers in the Sinai. What impact would a U.S. withdrawal have on the MFO? How have Israel and Egypt reacted to the possibility of a U.S. withdrawal? Where does this matter now stand?

Answer. The Egyptian-Israeli Peace Treaty and its security provisions, monitored by the MFO, are a cornerstone of U.S. policy and presence in the Middle East. The U.S. is especially mindful of its responsibilities and obligations to the MFO. As such, there are no plans to reduce our role in the MFO at this time.

The Israelis and Egyptians are both on record in insisting that the U.S. continue its military presence in the MFO. They and we are concerned that any draw-down of U.S. troops, if not carried out in close consultation with all concerned parties, could prompt other contributors of both troops and finances to reevaluate their continued participation. If other contributors were to follow our lead, it could severely weaken the MFO, increasing tensions between Israel and Egypt during an already

volatile time. It also could undermine our credibility as a guarantor of future Israeli-Arab security arrangements.

U.S. participation in the MFO places a considerable burden on the U.S. Army. We are reviewing ways to lighten this burden without undermining the critical role and effectiveness of our troops in the MFO. We would review such modifications with the parties before taking any action. We will also keep Congress informed of any developments in this area.

LIBYA UPDATE

Question. Could you update us on the latest development's with respect to Libya? What has been discussed in meetings between U.S. and Libyan officials?

Answer. Fulfillment of Libya's obligations relating to the Pan Am 103 bombing continues to be the main focus of U.S. policy toward Libya. Since September 11, Libya has continued its efforts to improve its image with the international community, most notably by condemning the attacks and confirming the U.S. right to retaliate. Nonetheless, it has yet to fulfill its obligations under the relevant UN Security Council Resolutions on Pan Am 103, including acceptance of responsibility and payment of compensation.

U.S. and UK officials met with Libyan delegations in October 2001 and again in January 2002. The focus of these meetings was to urge Libyan compliance with these obligations. We have told the Libyans that there is no way around their Pan Am 103 obligations; the first step in any movement forward with the United States is to address this terrorist incident in accordance with the UNCSR requirements.

MEXICO

Question. Does the Bush administration still consider the U.S.-Mexico relationship to be an important one? Can we expect to see a comprehensive agreement on some of these issues, including the migration issue, this year?

Answer. Our bilateral relationship with Mexico is one of the strongest and most important in the world. There is perhaps no other nation that has the impact of Mexico and Mexicans on day-to-day life in the United States. Mexico is our NAFTA partner and second leading trade partner. Over \$235 billion worth of commerce crossed our common border in 2001. Approximately 350 million people cross the land border with Mexico on an annual basis.

The Fox administration continues to be a special friend in the hemisphere and Mexico plays a key role in promoting our common values throughout the Americas. Concrete examples of the importance the administration attaches to Mexico as a neighbor and friend are the upcoming scheduled visits to Mexico by the President (March 21-23) and by Governor Ridge (March 4-6).

We continue to discuss a broad range of issues on the bilateral agenda with Mexico. At this point, we cannot speculate as to where we will be at the end of the year in our discussions with Mexico on migration and other issues.

Migration is an issue that is of great importance to the administration. We will strive to create, in partnership with Congress, a framework for migration that is fair, humane, takes into account the needs of people of both nations, and promotes the legal and orderly movement of people across our common border.

REINSTATEMENT OF SECTION 245(i) OF THE IMMIGRATION AND NATIONALITY ACT

Question. Until 1997, U.S. immigration law contained a provision, Section 245(i) of the Immigration and Nationality Act, which allowed individuals who qualify for a permanent visa, commonly called a "green card," to obtain their permanent visa in the United States if they were already in the country. The law allowed people to continue to work and to stay with their families during the final step in obtaining their green card and recognized that it makes no sense to force those already in the country and in the last stages of obtaining an immigrant visa to leave their families and jobs to have their visa processed in their home country. In 1997, Congress allowed Section 245(i) to expire. In 2001, Section 245(i) was temporarily reinstated until April 30, 2001. Does the administration have a position on this provision of immigration law? Would it like to see Section 245(i) permanently extended?

Answer. The Department strongly supports the restoration of INA Section 245(i) on a permanent basis. The Department experienced significant savings in manpower and resources under the previous law and would expect to again see such savings. Further, while the expired provision does grant a benefit to aliens who some believe may not deserve it because of their violation of our immigration laws, it still is a practical solution to a tough problem. Practical because it would not require, as is the case now, whole families who may have been in the United States for many

years to bear the expense and disruption to their lives of returning to distant places where they no longer have a home in order to process their immigrant visas for the purpose of immediately returning to the United States, or in some cases not being able to return for three to ten years, if they have remained illegally in the United States. Although a substantial fee is involved in obtaining adjustment of status in this manner, the fee is much less than the cost of return travel to a foreign country. Thus, it makes it more likely that families, especially poor families, will obtain the status to which they are legally entitled without suffering a major financial loss. We believe that, without 245(i), many of these "illegals" will stay in the United States illegally rather than return home and face the expenses and uncertainties of applying for their visas in their home country. With 245(i), they may come forward and apply to INS, thus allowing their eligibility to be reviewed and their status to be regularized, if eligible. The Department recognizes, however, that the burden of administering section 245(i) falls exclusively on the Immigration and Naturalization Service (INS) since only the INS has the legal authority to process applications for adjustment of status. Therefore, in order to obtain a more complete picture of the current attitude on the question of 245(i) we strongly suggest that the Committee seek the views of that agency.

ARGENTINA

Question. The Government of Argentina has been in serious economic crisis for some weeks now. Secretary of the Treasury O'Neill may or may not be correct when he says that we don't need to worry about the financial instability in Argentina spilling over to infect its neighbors, but that does not mean we should not be concerned that political instability in Argentina could have a negative impact throughout the region. On February 2 the Argentine Supreme Court complicated the Duhalde administration's efforts to manage the financial crisis by declaring that the actions by the government were unconstitutional. Now the Duhalde administration and the Congress are moving to unseat members of the court. We have seen what popular dissatisfaction with traditional government structures and political parties has meant for other countries in the region, most notably Venezuela. What is the United States doing to assist President Duhalde manage the current crisis?

Answer. We consider Argentina to be a valued friend and ally and we are engaging with the Argentines frequently, at a high level, and across a wide range of issues including the economy, law enforcement, military cooperation and trade. We believe that the ultimate solution to the social tension lies in finding long-term answers to the deep structural problems in the Argentine economy.

In recent meetings with the Minister of Foreign Affairs, the Minister of Economy, the Secretary for International Economics and government, we have emphasized the need for Argentina to find its own solutions to its economic problems. While we have publicly stated on numerous occasions that the U.S. stands ready to assist when Argentina develops a sustainable economic plan, we believe that any solution ultimately must come from Argentines and have the support of Argentines.

We are encouraging the Argentine government to work with the International Monetary Fund to craft a credible, sustainable economic plan to resolve the crisis. We remain in constant contact with our other regional allies, and are working cooperatively with them on ways to assist Argentina. We believe that most countries in the region view Argentina's troubles as having uniquely Argentine origins. We do not anticipate significant political fallout among other countries of the region, and have been encouraged by the constitutional process that has guided political developments in Argentina.

COLOMBIA: \$98 MILLION FMF TRAINING AND EQUIPMENT FOR THE COLOMBIAN MILITARY TO PROTECT A MAJOR OIL PIPELINE

Questions:

1. Where will training be conducted and by whom?
2. Which Colombian units will receive training?
3. Does the training of the Colombian units have any relationship to counter-narcotics purposes?
4. What restrictions will be placed on the use of the equipment provided by the United States? Will it be limited to pipeline security?
5. What are the U.S. private sector interests in this pipeline?
6. Why was this particular pipeline singled out for protection?
7. What are the estimated revenue losses to Colombia resulting from sabotage of its oil pipelines? How are these estimates derived?
8. Are there other U.S. oil or commercial interests elsewhere in Colombia which have been, or likely to be, targeted by the guerillas?

9. Are proposals under consideration designed to assist Colombia protect other parts of its economic infrastructure?

Answers. The administration's FY 03 budget request includes \$98 million in FMF for Colombia to provide training and equipment to enhance the Colombian military's ability to protect a major oil pipeline which has been the target of:

1. Overall management of this program will be by the Military Group (MilGp) in the U.S. Embassy, Bogota. Current planning is to provide training at Colombian military bases in Saravena and Arauca, both in Arauca Department. Future assessments may suggest other sites. Training will be provided by several different units of the U.S. military, as was the case in training the three battalions of the Colombian Army's first counterdrug brigade, but a major portion of training will be by elements of the U.S. Army's Special Forces.

2. Training is planned for both the existing 18th Brigade of the Colombian Army, headquartered in the city of Arauca, and the new Fifth Mobile Brigade, which Colombia has recently established. Elements of the Colombian Marines and Colombian National Police will also receive training. Human rights vetting will be done for all units receiving U.S.-provided training before it begins.

3. The Government of Colombia has designated these two brigades to provide pipeline security as their primary responsibility although they are also not precluded from supporting counternarcotics missions.

4. Restrictions on the use of equipment provided by the United States will be in accordance with all applicable regulations and law, including, for example, the Foreign Assistance Act of 1961, as amended ("FAA") and Section 556 and Section 567 of the FY 2002 Foreign Operations Appropriations Act, P.L. 107-115. Equipment provided by the United States under this request will be for the use of those units whose primary responsibilities are pipeline protection. The concept of operations calls for the 16th Brigade and 5th Mobile Brigade to protect the pipeline by effectively exercising area control. Rather than static, fixed-point defense, the units will try to detect and counter potential threats before they reach the pipeline. This approach will also enhance protection of the civilian population and of other infrastructure. The U.S. Milgroup will monitor use, as it does for equipment provided to other Colombian military units.

5. The Cano Limon-Covenas pipeline is a joint venture of Occidental Petroleum and Ecopetrol, a Colombian state-owned enterprise. The bulk of the petroleum transported in this pipeline is from the Cano Limon field, which is also a joint venture involving Ecopetrol, Occidental Petroleum and a Spanish oil concern, Repsol.

6. This pipeline was selected in consultation with the Colombian Government in view of its important contributions to that country's economy and the serious effects caused by the nearly 170 attacks on the pipeline in 2001 (an increase of 48% over the previous year) which resulted in production stoppages for over 260 days, as well as significant environmental damage from oil spills.

7. Terrorist groups' attacks on the pipeline in 2001 resulted in the Colombian central government, Arauca Department and various municipal governments losing nearly \$500 million in revenue. These estimates were derived from several sources, including the U.S. Embassy, the Government of Colombia and Occidental Petroleum.

8. The Drummond Coal Company has extensive operations in Colombia and has suffered serious attacks, as has the gas pipeline used by Texaco. Over 250 other U.S. businesses have offices in Colombia and in many cases have been the targets of extortion and violence.

9. The situation in Colombia is under constant review but there are not now any specific proposals to assist Colombia to protect its economic infrastructure other than the Cano Limon-Covenas pipeline. Consultations with Congress would clearly be undertaken in the event additional proposals were to be considered.

COLOMBIA: PARAMETERS FOR IN-COUNTRY TRAINING BY DOD PERSONNEL

Question. Prior U.S. military training in Colombia for the counter-narcotics brigades was governed by two memos from Secretary of Defense Cohen (dated October 6, 1998 and March 9, 2000) which set forth parameters for in-country training by DOD personnel, and bar the use of any DOD funds, personnel or equipment for any training program "involving a Colombian unit that engages solely in counterinsurgency operations."

Are these memoranda still applicable to U.S. military training in Colombia? Have subsequent memoranda been issued by the DOD leadership applicable to such training? If so, please provide them. Will training of military personnel for pipeline security be governed by the above-mentioned memoranda? If not, what limits will apply?

Answer. The Department of Defense has informed us that the above-referenced memoranda are still applicable to U.S. military training in Colombia and that no new memoranda governing this training are being proposed at this time. The details of the administration's proposal to train Colombian military personnel for security of the Cano Limon pipeline are still being formulated. At the present time, the above answer applies for pipeline security training as well.

PHILIPPINES COUNTERTERRORISM TRAINING

Question. What role will U.S. forces play in the Philippines? How long will U.S. combat and combat service support units be deployed to the Philippines? Will U.S. forces be placed under the Philippines command while accompanying Philippine forces in the field? How are our joint efforts against Abu Sayyaf linked to the larger question of Mindanao separatism and the long-running insurgency there? Is there any risk that U.S. forces will get drawn into a counterinsurgency role not directly connected to the war on terrorism? Will there be notifications pursuant to the War Powers Resolution of this deployment to the Philippines? If not, why not?

Answer. The purpose of the deployment of U.S. forces is to help the Armed Forces of the Philippines (AFP) defeat international terrorism in the Philippines, which affects both U.S. and Philippine interests. Training will continue to be at the core of our counterterrorism cooperation with the Philippines. U.S. forces will work closely with their AFP counterparts in activities focused on planning; gathering and disseminating intelligence; command, control and communication; and assessing AFP capabilities and needs.

NORTH KOREA

Question. The President named North Korea as part of an "axis of evil" in his State of the Union Address, and subsequently put North Korea "on notice" that it must abandon its pursuits of weapons of mass destruction and the means to deliver them, or face the consequences. South Korea, Japan, and U.S. European allies reacted to the "axis of evil" remarks with concern, taking note of a widely held belief that engagement with North Korea offers the best hope of fostering peace and reconciliation on the Korean Peninsula. Has the administration decided to abandon the approach the President articulated on June 6, 2001, when after a lengthy policy review, he pledged U.S. support for South Korea's engagement strategy?

Answer. As the President reiterated during his February 19-21 trip to Seoul, the USG continues to support North-South engagement and remains willing to have a serious dialog with North Korea. Eliminating threats to peace posed by missiles and weapons of mass destruction is a critical task. This makes it all the more imperative for North Korea to respond to our repeated offer to undertake serious discussion on these and other issues of concern, including conventional force issues, terrorism, and humanitarian concerns, at any place, at any time, and without preconditions.

Question. Last November, after the latest round of U.S., South Korean, and Japanese consultative talks, the three nations issued a joint statement which, "took positive note of North Korea's signing of two UN Terrorism Conventions" and welcomed additional steps which North Korea might take to demonstrate its oppositions to terrorism.

Could you say that North Korea is generally moving in a positive or negative direction with respect to its involvement in international terrorism? Is there any evidence linking North Korea to the September 11 terrorist attacks on the United States?

Answer. North Korea has not distinguished itself in international efforts to combat terrorism. The DPRK reiterated in a statement released after the September 11 attacks its policy of opposing terrorism and any support for terrorism. It also signed two United Nations counter-terrorism conventions and told a visiting European Union delegation it would sign the remaining five. However, we have urged further DPRK steps to cooperate in international efforts to combat terrorism, and we remain ready to engage the DPRK on this and other issues of concern. According to the Global Terrorism Report for 2000, some evidence suggested that the DPRK might have sold weapons directly or indirectly to terrorist groups in 2000. It also continues to harbor several Japanese Red Army hijackers of a Japanese Airlines flight to North Korea in 1970. The report cited statements from Philippine officials that the Moro Islamic Liberation Front had purchased weapons from North Korea. In our past talks with North Korea, we have made clear what actions the DPRK must take to be considered for removal from the list of state sponsors of terrorism.

There is no evidence to date linking North Korea to the September 11 terrorist attacks on the United States; however, as the President noted in his State of the

Union Address, there are two primary forms of danger and instability in the world today, terrorism and the proliferation of weapons of mass destruction. These threats directly overlap as many of the states that are seeking nuclear, chemical, and biological weapons are also on the list of state sponsors of terrorism.

Question. A key aspect of U.S.-North Korea relations is the Agreed Framework. Is North Korea currently in compliance with its obligations under the Agreed Framework? Does the United States remain committed to implementing the Agreed Framework, including the provision of two light water reactors to North Korea, provided that North Korea fulfills its obligations under the Framework?

Answer. The administration has not yet concluded the review process of whether the DPRK is in compliance with all its obligations under the Agreed Framework.

I expect we will soon do so, and we will provide our findings to Congress.

I will say that the DPRK's nuclear freeze of its three graphite-moderated reactors and related facilities at Yongbyon and Taechon remains intact under IAEA monitoring.

The IAEA maintains a permanent presence at Yongbyon and, based on its monitoring activities, the IAEA believes that the DPRK has been complying with the freeze provisions of the Agreed Framework from November 1994 on.

The Agreed Framework is an important mechanism for bringing the DPRK into compliance with its obligations under the Non-Proliferation Treaty (NPT).

To do that, North Korea must: fully cooperate with the IAEA, accept implementation of its full-scope safeguards agreement, and permit the IAEA to verify the completeness and correctness of the DPRK's initial safeguards declaration, which should cover all nuclear facilities and nuclear material, including separated plutonium.

Apart from maintaining the freeze, the DPAR has not taken these steps. We believe the DPRK must begin to act.

Under the terms of the Agreed Framework, "when a significant portion of the light water reactor (LWR) project is completed, but before delivery of key nuclear components, the DPRK will come into full compliance with its safeguards agreement with the IAEA."

It could take several years for the IAEA to complete its work. That makes it imperative for the DPRK to start the process or risk delays in the LWR project.

The U.S., under the Agreed Framework, provides the DPRK 500,000 tons of heavy fuel oil (HFO) annually to offset the foregone output from North Korea's frozen graphite-moderated nuclear reactors. KEDO's monitoring arrangements, along with other means, indicate the HFO has largely been used in the manner prescribed by the Agreed Framework.

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MONTERREY SUMMIT

Questions. What is the United States prepared to put on the table during the Summit? Is serious consideration [being given] to some of the very innovative approaches that have been proposed by former President Zedillo, George Soros and other[s] for generating additional development financing, including the issuance and use of IMF Monetary units (SDRs) to provide financing for health, educational and environmental programs in developing countries?

Answer. We see Monterrey as a chance to turn the corner on development by achieving a practical consensus on financing to spur growth and poverty reduction. We do not see it as a pledging conference. The United States will focus on total resources for development: trade, foreign direct investment, domestic savings, agriculture productivity, along with effective foreign aid. Foreign assistance is by far the smallest of the sources of development finance, though it can have a significant catalytic role in fostering change. We will also highlight the need for strong support

of democratic and transparent governance and market-oriented economic policies as proven necessary conditions to unlock and effectively use these resources.

We will urge the international community to promote more vigorously an economic growth agenda to benefit the developing countries. A part of this agenda is to challenge developed countries to increase grant-based assistance to the poorest countries, so these countries can make investments in critical social sectors, such as education and health, without incurring debt burdens that such activities cannot cover financially. We will promote increases in assistance for developing countries that have achieved measurable results. We will urge developed and developing countries, and international organizations, to engage in greater and better efforts on trade and investment capacity building. The Conference is also an opportunity for us to showcase our own specific development efforts and priorities—e.g. trade and investment support, education and health, good governance and anti-corruption and agricultural productivity—and make clear our desire to engage and cooperate with others on these issues.

In the already-agreed outcome document for Monterrey, the consensus did not support any concept of international taxes (such as a carbon tax or a currency transaction tax) or use of SDR reallocations, as some have proposed. The United States did not support such approaches, as we prefer to work directly with the public and Congress to seek well-supported, legislatively approved sources of foreign assistance. Obviously, we were not alone. The allocation of SDRs for development assistance is inconsistent with the SDR's role as a monetary asset, and with the administration's efforts to focus IMF efforts on its core areas of expertise. We believe the way to further increase development assistance is to show that when well-used and targeted, it can leverage private resources and positive political change. That record and a clear strategy should be the basis for seeking more resources for what works.

RESPONSES OF SECRETARY OF STATE COLIN POWELL TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR BARBARA BOXER

U.S. ASSISTANCE TO THE AFGHAN WOMEN'S MINISTRY

Question. Over the last several years, the Senate, and more specifically, this committee, has been outspoken in its condemnation of Taliban policies toward women. And, when the Taliban was ousted from power and the Ministry of Virtue and Vice disbanded, we felt it was important to insist that women be restored to their rightful place in Afghan society— including participation in the post-Taliban Afghan Government. I am pleased that two women now serve in the Afghan interim administration under Chairman Karzai.

One of these remarkable women is Dr. Sima Samar, a vice-Chair in the interim government and head of the Ministry of Women's Affairs. Given the plight of women in Afghanistan under Taliban rule, this ministry needs funding immediately to provide opportunities to women and to undo the damage inflicted by the Taliban.

Unfortunately, Dr. Samar is doing her best to restore hope in Afghan women with just one telephone, one desk and one car. For the past several weeks, the Women's Ministry has not even had an office from which to operate. There is no funding for programs, no funding for staff and no funding for equipment. As you know, Mr. Secretary, the mandate for the interim government runs out in just 5 months. Does the administration plan to provide direct funding for the Ministry of Women's Affairs? How much does the administration plan to provide?

Answer. I met personally with Sima Samar, Vice Chair and Women's Affairs Minister, in December. When she returned in late January, a wide range of U.S. officials received Dr. Samar. We have conveyed to her our full support for her work.

We have stressed to all elements of the AIA the importance of the Women's Ministry being fully integrated into the new government. To assist with the urgent needs of Afghan women, the United States is working closely not only with the Ministry of Women's Affairs but with all Afghan ministries. In meetings in Washington and Kabul, senior administration officials are stressing that the concerns of Afghan women must be addressed by all elements of the Afghan Government, not just the Women's Ministry.

Due to widespread destruction and neglect of buildings, several ministries, including the Ministry of Women's Affairs, have had problems obtaining suitable office space. This matter has now been resolved for the Women's Ministry, to Minister Samar's satisfaction. The building that once housed the Women's Institute has been transferred to the Ministry of Women's Affairs.

In addition to providing funds for the Women's Ministry through the UNDP, the United States has contributed directly to the Ministry's refurbishment through the

Agency for International Development (AID). AID has provided \$64,000 toward the renovation of the building, including office equipment and technical advisers. \$55,000 of this grant will be used to help renovate the Women's Ministry. The refurbishment of the Ministry is now 70% complete, and Minister Samar noted her pleasure that Women's Affairs is the first ministry in the AIA to receive a grant from the United States Government. She is optimistic that significant renovations will be completed by March 8, in time to host ceremonial meetings in Kabul on the occasion of International Women's Day.

Beyond supporting the bricks-and mortar aspects of the Women's Ministry, the U.S. Government is also working closely with Minister Samar to identify her specific needs and priorities for programs. She has particularly noted women's needs for education, health and security. Included in the \$296.75 million the United States has pledged for Afghanistan for the current year are programs that will provide education and health and will generate jobs for Afghans, especially women. Women will be included as planners, implementers, and beneficiaries in all USG programs. In addition, to our overall emphasis on targeting women, the USG has in the past several months funded a number of specific programs in response to immediate needs on the ground.

Security:

- The Department of State's Bureau of South Asian Affairs has already provided public diplomacy funds to refurbish two floor of a dormitory at the University of Kabul for the use of women students.

Education and Training:

- AID is sending nine million textbooks to Afghanistan for the opening of school on March 23. For the first time in years, girls will be attending these schools at all levels.
- AID's Office of Transition Initiatives (OTI) is funding the Afghan Women's Network to poll Afghan women in Peshwar about their training needs, and to train women to enhance their capabilities in political and economic skills.
- OTI is also supporting the Agency Coordinating Body for Afghan Relief to help provide library assistance to Afghan women and girls to encourage them to read.
- Finally OTI has just announced a small grant to assist in rehabilitating offices for ARIANA, a women's NGO based in Kabul, to continue providing educational and vocational courses to women and girls of many ages. The grant will also provide ARIANA with funds to purchase training supplies and equipment.

Health:

- AID has contributed funds to UNICEF for an inoculation programs for 2.26 million Afghan children returning to school.

Many more programs are being planned.

U.S.-Afghan Women's Council:

- To complement our U.S. Government programs, President Bush and Chairman Karzai recently announced the establishment of the U.S.-Afghan Women's Council. Dr. Samar and Foreign Minister Abdullah will serve as Afghan co-chairs and Under Secretary of State Paula Dobriansky will serve as the U.S chair. The Council will promote private/public partnerships and mobilize resources to ensure that women gain the skills and education they were not able to attain under years of Taliban misrule.

UN POPULATION FUND (UNFPA)

Question. Secretary Powell, last year, the Bush administration requested \$25 million for the United Nations Population Fund (UNFPA) in its fiscal year 2002 budget. The Congress, recognizing the importance of this funding, increased that amount to \$34 million.

Not only did the Bush administration request funding for this program, last October, the administration announced the disbursement of \$600,000 to the UNFPA for the purpose of providing emergency birthing kits to Afghan refugees. Clearly, this is a program that works and saves lives. Unfortunately, the \$34 million in fiscal year 2002 has now been put on hold and no funding has been requested specifically for UNFPA in the fiscal year 2003 budget.

Officials from the United Nations estimate that \$34 million is enough to prevent two million unwanted pregnancies, 800,000 abortions and the deaths of 4,700 mothers and 77,000 infant children.

Mr. Secretary, what is the status of this funding? When will a decision on funding be made? Do you still believe that UNFPA does "invaluable work" and "provides critical population assistance to developing countries?"

Answer. The administration continues to support broadly the important work of UNFPA and specifically, its response to the emergency needs of vulnerable populations, such as in Afghanistan. At the same time, we remain mindful of our obligations under the Kemp-Kasten amendment to the annual Foreign Operations, Export Financing and Related Programs Appropriations Act, which provides that no U.S. funds can go to an organization that supports or participate in the management of a program of coercive abortion or involuntary sterilization.

The administration is also attentive to periodic reports of abuse and coercion in China's family planning and recent allegations of UNFPA's complicity in coercive family planning practices in China. These allegations assert that UNFPA's program in China is in violation of the Kemp-Kasten amendment. While we are aware of UNFPA's response that they are not involved in coercive practices and is, in fact, supporting a program that stresses the importance of voluntarism and non-coercion, it is incumbent upon us to investigate these allegations.

The issue of UNFPA funding in light of these allegations is under review by the administration. The modalities of this review and the final determination are with the White House.

PALESTINIAN AUTHORITY

Question. There have been news reports about an ongoing reassessment of our relationship with Arafat and the PA. Have any conclusions been reached as a result of this reassessment?

Answer. Chairman Arafat is leader of the Palestinian people, and we continue to deal with him on that basis.

PALESTINE

Question. How do you see our relationship with the Palestinian leadership changing?

Answer. Chairman Arafat is the leader of the Palestinian people and we continue to deal with him on that basis. Chairman Arafat and the Palestinian Authority have an obligation to exercise that leadership and act immediately and decisively against violence and terrorism. We have not given up hope and we will continue to work with both sides to get to a process that will lead to a ceasefire and negotiations.

RESPONSES OF SECRETARY OF STATE COLIN POWELL TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR BILL NELSON

HAITI: POLITICAL STALEMATE

Question. What is the status of the political stalemate in Haiti among President Aristide, opposition groups, and civil society? I understand the OAS is playing a key role, but what is the U.S. doing? Are you personally involved in the process?

Answer. The Haitian parties have yet to resolve the country's political crisis. OAS-mediated negotiations in 2001 reached agreement on several key election issues, but intransigence on all sides and political violence have hampered further progress.

The U.S. supported a January OAS resolution that condemned violence, called for an investigation by the Inter-American Commission on Human Rights (IACHR), and strengthened the OAS mandate to help improve conditions for a renewal of talks.

I met on February 7 with my Caribbean counterparts and urged their continued support of the OAS process. We place primary responsibility on the Government of Haiti and the parties to reach an agreement that improves the well being of the Haitian people.

U.S. ASSISTANCE FOR HAITI

Question. As U.S. and international assistance still cannot be directed to Haiti, the Haitian people are suffering. I have spoken with the Alternative Executive Director of the International Development Bank, about this issue prior to his confirmation. What can the administration do to expedite funding to the Haitian people at the earliest possible time once an agreement is reached?

Answer. Current U.S. policy opposes assistance that goes to or through the Haitian Government. However, the U.S. does provide significant assistance to the Haitian people via non-governmental organizations. In FY 2002, approximately \$50 million in assistance will go to Haiti for food aid, health, education, family planning, HIV/AIDS programs, democracy initiatives (including party support).

We will not support renewed International Financial Institution (IFI) lending to the Government of Haiti (GOH) unless the GOH resolves the electoral impasse.

Once the parties in Haiti negotiate and sign an agreement, the U.S. is prepared to work closely with other donor countries and the multilateral development banks to move forward rapidly on the disbursement of outstanding loans as well as to explore new projects.

HOLOCAUST-ERA INSURANCE CLAIMS

Question. Recently, Senator Fitzgerald and I wrote a letter to the former Secretary, and Chairman of the International Commission on Holocaust-Era Insurance Claims (ICHEIC), Larry Eagleberger. We are concerned over the extremely slow pace at which insurance claims are being resolved through the mechanism afforded by ICHEIC. Since an agreement was reached between the U.S. and Germany in July 2000, insurance companies have compensated less than 1% of the 77,800 claims received by ICHEIC, an abhorrent record.

Are you personally engaged in this process? What is the State Department doing to ensure that the remaining issues in the negotiations between ICHEIC and the German Foundation are finalized swiftly and in a way that is fair to survivors? The recent extension of the deadline is helpful, but I am concerned that more and more survivors are dying before they can redeem the policies they have been fighting for over 60 years.

Answer. The U.S.-German Executive Agreement of July 17, 2000, provides the framework for the treatment of claims made against German insurance companies. The Executive Agreement provides that insurance claims that come within the scope of the claims handling procedures adopted as of July 17, 2000, by the International Commission on Holocaust Era Insurance Claims (ICHEIC) and are made against German insurance companies shall be processed by the companies and the German Insurance Association (GDV) on the basis of such procedures and on the basis of any additional claims handling procedures that may be agreed among the Foundation, ICHEIC and the German Insurance Association.

Reflecting the allocation agreed to among the parties during the German Foundation Negotiations, the July 2000 German law establishing the Foundation provides DM 200 million for claims and administrative expenses, as well as DM 350 million for the ICHEIC humanitarian fund.

Although the United States is not a party to the negotiations to implement the insurance provisions of the German Foundation, we nonetheless have continued to work actively, under the leadership of Deputy Secretary of State Richard L. Armitage, to create an environment conducive to successful negotiations and to support efforts to reach an agreement quickly on outstanding issues.

The Deputy Secretary has on several occasions urged all parties to demonstrate flexibility and work toward early agreement, and he continues to engage in intensive consultations with Secretary Eagleburger and the German Chancellor's Special Representative, Dr. Otto Graf Lambsdorff on these issues.

It is essential that the ICHEIC-Foundation negotiations on additional claims handling procedures and ICHEIC administrative costs be concluded quickly so that insurance claims can be paid and humanitarian funds distributed.

- Failure to reach agreement would have widespread ramifications for the claimants, the survivors, and the family members of those who did not survive.
- We continue to press all parties to focus on resolving outstanding issues so the DM 550 million can be made available from the German Foundation.

RESPONSES OF SECRETARY OF STATE COLIN POWELL TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR GORDON SMITH

UN POPULATION FUND (UNFPA)

Question. Secretary Powell, you testified only a few months ago about the invaluable work that the United Nations Population Fund (UNFPA) was doing in helping to provide reproductive health services to women in and around Afghanistan. Yet, the administration is seeking to eliminate the U.S. contribution to this important organization. Even more distressing is the failure of the administration to allocate the funds that Congress appropriated to UNFPA this year. As you know, women in Afghanistan have suffered under the most inhuman treatment imaginable for quite some time and their health has suffered. The average woman lives only to the age of 42, and pregnancy related causes are among the most dire threats to their lives. This administration has spoken often about protecting the "rights and dignity of women" in that part of the world, but the budget would eliminate some of the most important funds that help to do that. UNFPA is also working to provide crucial reproductive health care and voluntary family planning to women in nearly 150

other countries. Does the administration have some plan to provide the health care that UNFPA will be unable to provide if we eliminate our contributions?

Throughout my public life I have supported policies to prevent abortion, and international family planning does just that. I strongly supported you last year when you spoke favorably of the work the United Nations Population Fund (UNFPA) does around the world, and I strongly supported your emergency grant of \$600,000 to UNFPA this past November to help them provide safe delivery kits and sanitary supplies to Afghan refugee women. Yet, today, only 3 months after that grant, the administration is holding up the funding that Congress appropriated for UNFPA this year—funding that the President sought in his budget request last year—and is seeking to eliminate our contribution in 2003. I am deeply disappointed by each of these actions and wonder if you might address this issue.

Answer. This administration shares your belief that one of the best ways to prevent abortion is by providing quality voluntary family planning services. We continue to broadly support the important work of UNFPA world and specifically, its response to the emergency needs of vulnerable populations, such as in Afghanistan.

At the same time, we remain mindful of our obligations under the Kemp-Kasten amendment to the annual Foreign Operations, Export Financing and Related Programs Appropriations Act, which provides that no U.S. funds can go to an organization that supports or participate in the management of a program of coercive abortion or involuntary sterilization. The administration is also attentive to periodic reports of abuse and coercion in China's family planning and recent allegations of UNFPA's complicity in coercive family planning practices in China. These allegations assert that UNFPA's program in China is in violation of the Kamp-Kasten amendment. While we are aware of UNFPA's response that it is not involved in coercive practices and is, in fact, supporting a program that stresses the importance of volunteerism and non-coercion, it is incumbent upon us to review these allegations.

The issue of UNFPA funding in light of these allegations is under review. The modalities of this review and the final determination are with the White House. Your concerns regarding how we can otherwise address the health care that UNFPA will be unable to provide if we eliminate our contributions will be taken into account.

CHILDREN'S HEALTH

Question. Can you highlight the ways in which the President's proposed budget helps to improve children's health in developing countries?

Answer. The President's budget responds to the global challenge of children's health in the developing world with \$282.5 million for our ongoing core programs for children under five (such as breastfeeding, nutrition and childhood diseases). The budget also funds programs combating HIV/AIDS, a pandemic that besets children even before birth and also deprives them of parental care. Almost 1.5 million children under the age of 15 are HIV-positive; another 15 million are made vulnerable by the loss of a parent to HIV/AIDS. For FY 2003, we have increased USAID's direct funding for HIV/AIDS to \$500 million. In addition, the administration has pledged \$500 million to the newly created Global Fund to Fight AIDS, TB and Malaria, making this country the single largest donor. In FY 2003 the administration will increase to over \$50 million its contribution to the Global Alliance for Vaccines and Immunizations (GAVI), bringing new vaccines and strengthening vaccine delivery to millions of children. The President's budget proposes \$120 million for the United Nations Children's Fund (UNICEF), which spends approximately 60% of its resources on child health, and approximately \$15 million for the World Health Organization (WHO) for programs in child and adolescent health. In 2003, the National Institutes of Health (NIH) will spend \$222 million in international efforts on HIV/AIDS, and the Global AIDS Program (GAP) of the Centers for Disease Control (CDC) will spend \$144 million. CDC will also invest \$135 million in global immunization activities, and \$13 million in malaria prevention and control. Our contribution of \$10 million to the UN Environmental Program (UNEP) contributes to work to eliminate environmental health hazards, which have their greatest effects on pregnant women and children. Finally, the American people will again provide a projected \$1.1 billion to feed and care for victims, especially child victims, of emergency and conflict situations through USAID, the World Food Program, and the UN High Commissioner for Refugees (UNHCR).

We can be proud of these efforts, but the task ahead is enormous. Much remains to be done to create the conditions that will make the currently unacceptable levels of child mortality in the developing world a thing of the past.

CHILDREN'S HEALTH

Question. What message will the administration take to the UN Special Session in May?

Answer. The United States strongly supports the goals of the Special Session in the areas of child health and nutrition, education, HIV/AIDS, and protection from exploitation and armed conflict. We believe that investing in children is key to the eradication of poverty and economic development, with added dividends for peace and stability. We look to the Special Session to invigorate political will, seeking in the outcome document a global agenda which focuses on specific, achievable goals.

CENTRAL ASIAN STRATEGIC IMPORTANCE

Question. One result of the war on terrorism and our military operation in Afghanistan is the increased awareness of the Central Asian Republics and their strategic importance to the United States. Could you lay out for us the strategic importance of the Central Asian Republics and what will guide our involvement in this increasingly important region?

Answer. In the wake of the events of September 11, the most immediate strategic interest of the United States in Central Asia is to see that the countries of the region do not become new havens or sanctuaries for the forces of international terrorism. In what only a decade ago was the Soviet Union, the United States now has thousands of U.S. military personnel working alongside their Central Asian counterparts in this effort. We also rely on these governments for vital intelligence that has helped us to conduct such an effective military campaign in Afghanistan, and for the security and well-being of our troops while they are there. Additionally, for post-Taliban Afghanistan, these Central Asian frontline states represent a critical humanitarian corridor for food and emergency supplies that may save the lives of millions of people living in Afghanistan.

Our country is now linked with this region in ways we could never have imagined before September 11. Our policy in Central Asia must include a commitment to deeper, more sustained, and better-coordinated engagement on the full range of issues upon which we agree and disagree. These include security cooperation, energy resource development, and internal strengthening of these countries through political and economic reforms. At every opportunity, we discuss with them the concept that security is not only a military concept but must also, in our view, include the economic and democratic reforms that will give their populations hope for the future. We include in these conversations the necessity to meet internationally accepted standards on human rights.

Question. What principles will guide the administration in its deliberations with our NATO allies on a new NATO-Russia relationship?

Answer. Russia's recent positive stance toward the West, as reflected in its substantial cooperation in the war against terrorism, demonstrates that we have a real opportunity to bring Russia into a more open, cooperative relationship with NATO that will further enhance European stability.

In developing the new NATO-Russia body, we are looking to explore and develop new, effective mechanisms for more constructive cooperation between Russia and NATO, while preserving NATO's right to decide and act at 19 on all issues.

The key to the success of the new body will be the development of serious, well-thought out, practical projects in areas where there is potential for joint cooperation between NATO and Russia, such as counterterrorism, civil emergency preparedness, airspace management, and joint training and exercises.

However, the NATO-Russia Council will not provide Russia the ability to veto NATO actions in any areas. In developing this mechanism, we will insist that there must be a NATO consensus to place any item on the agenda of the new body. NATO must have the right to decide whether particular issues should be discussed or worked at 20 and to what extent allies should coordinate positions. NATO also needs to preserve the right to take a decision on any issue at any time, whether or not that issue is the subject of discussion with Russia. Any ally must also be able to remove an issue from the agenda of the new mechanism at any time.

 RESPONSES OF SECRETARY OF STATE COLIN POWELL TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR SAM BROWNBACK

Question. Last Sunday, in response to Yasser Arafat's statement condemning terrorist acts against Israeli civilians and pledging to crack down on these terrorist groups, you prudently responded that you were pleased to see the statement, but

the U.S. needs to see action. Has the U.S. done enough to convey this sentiment to Arafat? It appears that Arafat is finally concerned with America's increasingly negative view of his actions. How is the administration leveraging this for furthering the peace process?

Answer. Chairman Arafat and the Palestinian Authority must take strong, resolute, irreversible action immediately to halt the violence. In a range of meetings and communications with PA officials, including Arafat, we have been very clear and specific about what we expect from the PA with regard to ending the violence and terrorism which undermine their authority and the hopes of the Palestinian people for a better life. Arafat knows what steps he has to take. Palestinian security performance remains the essential first step to an improvement in the situation and a return to a political process.

ASSISTANCE TO THE IRAQI OPPOSITION

Question. What is the status of our assistance to the Iraqi National Congress and other opposition groups within the country? Will the U.S. ramp up its investment and support of these groups, especially in the absence of Iraq's allowance of UN inspections?

Answer. We continue to support the Iraqi National Congress (INC), and other Iraqi opposition groups, as they work to become a more effective voice for the aspirations of the Iraqi people, and build support for the forces of change in Iraq. Since March 2000, the U.S. has provided \$14.6 million in funding to the INC. That funding has supported the production and distribution of the INC's newspaper, satellite TV broadcasts into Iraq, diplomatic outreach, information collection program, draw-down of Department of Defense training, three London offices, one DC office, and offices in Tehran, Damascus, and Prague. We also have provided \$11.7 million in support to other groups doing humanitarian and war crimes research work. We are actively engaged in developing programs of increased support for Iraqis who are opposed to the current regime in Baghdad.

ANTI-AMERICANISM

Question. Many of our Arab allies in the Middle East have strong anti-American factions within their countries. Are we monitoring the type of anti-American education that occurs in these countries? Will the U.S. take stepped-up action to provide basic education development in this region?

Answer. Anti-Americanism in the Middle East is a problem that we are addressing head-on through our public diplomacy. We pay especially close attention to educational issues, and have worked for years to enhance educational exchanges and institutional linkages, increase the teaching of English as a second language at all levels, and encourage the development of American studies programs.

Middle Eastern leaders recognize the need for reform and improvement of their educational systems in order to meet the needs of their youth for a place in the world of the 21st century. To play a productive role in their societies, youth must have a new set of skills and understanding of their role in a global economy. We are working on a number of new initiatives and proposals in this regard that respond to requests for cooperation and assistance we have received from these countries. Our aim is to assist in efforts to better prepare students from that part of the world for the new global economy, and lessen the propensity for the development of anti-American attitudes.

EDUCATION ASSISTANCE FOR PAKISTAN

Question. Is the administration's investment in education assistance for Pakistan sufficient enough to help break the stranglehold of the radical madrassas?

Answer. We believe the level of funding the administration is proposing for this fiscal year will help Pakistan as it continues to reform its educational system.

In the current fiscal year, our \$600 million grant in balance of payments and budget support has enabled approximately \$107 million equivalent in Pakistani rupees to support Pakistan's education programs. In addition, through an interagency effort, we will provide \$34 million this year in bilateral assistance programs to support education reform in Pakistan. We hope this is the beginning of a \$100 million multi-year program. Other donors are also focusing a good amount of resources on education, including the United Kingdom, Canada, Japan, Germany, Norway and UNICEF.

Question. Is the administration willing to accommodate Pakistanis request for tariff relief on textile and apparel imports?

Answer. The administration is acutely aware of the hardship suffered by Pakistan's textile and apparel industry due to our ally's staunch support of the U.S. in the war on terrorism. We recently completed an assistance package, valued at \$142 million in potential new market access, that provides quota enhancements for Pakistani apparel exports to the United States. The package was developed in extensive consultation with Congress to minimize its impact on our domestic textile industry.

Early in our consultations with Congress, we found significant opposition to tariff relief, and there appeared to be no legislative vehicle available for such action by Congress. At this time the administration does not intend to provide further unilateral preferences for imports of textile or apparel products from Pakistan.

We have serious market access issues with Pakistan that will need to be addressed in any further discussions with them. We would only consider future assistance on a reciprocal basis and after extensive consultations with Congress.

INDO-PAKISTANI TENSIONS

Question. What action is the administration taking to de-escalate tensions between Pakistan and India? Are these tensions taking away from Pakistan's ability to assist the U.S. in the war on terrorism in Afghanistan?

Answer. Defusing tension between India and Pakistan has been a major focus since December 13, when the tragic terrorist attack on India's parliament prompted India to take a series of actions—including mobilizing its forces on the border, downgrading its diplomatic relations with Islamabad, and closing air, bus, and train links with Pakistan—that created a very real possibility of war. The President, Dr. Rice, and I have been in regular contact with the leaders of both countries to urge caution in terms of rhetoric and public comment; the redeployment of forces away from the border or Line of Control; and the launching of a productive, substantive dialog. We delivered the same clear message during my visit to the region in mid-January and during the visits here of senior Indian and Pakistani officials. It is in this context that we strongly pressed President Musharraf and his government to take firm action against extremists using their territory to attack India. These contacts are continuing and will continue until we have fully "locked in" the progress achieved so far.

Heightened Indo-Pak tension clearly has added a major new burden onto the shoulders of the Pakistani authorities. So far, however, it has not diminished Pakistan's unstinting support for Operation Enduring Freedom.

ASSISTANCE TO AFGHANISTAN

Question. The U.S. is committed to helping Afghanistan recover from decades of war. What steps is the administration taking to ensure accountability for the distribution of humanitarian aid to ensure that it is delivered to the local level without being used for illicit purposes by warlords? What steps is the administration taking to ensure that the *loya jirga* meets to form a national government? What conditions are placed on the aid to ensure accountability while empowering interim leader Karzai to develop effective political institutions at the local, regional and national level to assist in democratization?

Answer. We view the recovery and reconstruction effort in Afghanistan that the international community has undertaken with our leadership as a continuation of the international campaign against terrorism. The military campaign has been successful, but it needs to be supported by an effort to stabilize Afghanistan economically to prevent it from becoming a haven for terrorists and drug traffickers again.

We are committed to ensuring accountability of U.S. humanitarian and reconstruction assistance for Afghanistan. We have conveyed this to the Afghanistan Interim Authority (AIA), and received clear signals that they understand the recalcitrant provincial or local authorities who are tempted to defy the Bonn principles and appropriate policies of the central government.

Deciding which conditions to apply to which areas of assistance is a complicated task. The administration is currently working to define a mechanism by which conditionality will be applied. Some areas—humanitarian assistance—will clearly be delivered without regard to the cooperation of local political leaders: we will always work to feed starving people, for example. In addition to carefully designed bilateral measures, we will coordinate our actions on conditionality and accountability with other donors and the UN SRSG. If well-coordinated and intelligently implemented, conditionality can successfully leverage reconstruction assistance in ways that meaningfully further our national interest.

CENTRAL ASIAN AMERICAN ENTERPRISE FUND

Question. Do you know about the current status of the Central Asian American Enterprise Fund? What should be our foreign assistance priorities for the region?

Answer. Our assistance priority in Central Asia is to address the causes of potential instability in the region. These threats include ineffective border controls, drug smuggling, poverty, lack of economic and democratic reforms, isolation from the outside world, and decrepit local infrastructure. To address these problems we requested and received additional funding for our Central Asian assistance programs in the Emergency Response Fund. We have also increased assistance funding for the region in our regular FY 2002 assistance budget and plan a further increase in FY 2003.

The State Department and USAID have conducted a review of the past performance and future prospects of the Central Asian American Enterprise Fund. We have conveyed the conclusions of this review to the CAAEF Board. As matters of commercial confidentiality are involved, we would be happy to discuss this in greater detail in a private session.

CENTRAL ASIA TRADE AND DEVELOPMENT

Question. What opportunities for trade and economic development do you foresee for the region? Is your Department engaged in putting together education and economic development packages for Central Asia?

Answer. By driving the Taliban out of power in Afghanistan, Operation Enduring Freedom has improved the climate for expanding trade throughout Central Asia and linking it to South Asia. Indeed, part of our policy toward stabilizing and developing Afghanistan is to encourage a North-South trade corridor with improved roads, bridges, and infrastructure to facilitate access to markets.

Economic development and trade, however, can only develop if the Central Asians governments have the political will to pursue meaningful economic and democratic reform and reduce harmful barriers to trade within the region. Sustained economic growth will ultimately depend upon these countries' ability to cooperate and expand their market base in order to compete in the world market for international investment.

Toward that end, the U.S. is urging the Central Asian governments to redouble their economic reform efforts and renew their relationships with the IMF. Where they show commitment to do so, we are providing technical assistance to support their efforts as well as programs designed to cushion the effect on the most vulnerable members of society.

In addition, the U.S. provides technical assistance and credit to develop small and medium private enterprises; and is helping to develop local infrastructure, which in the process provides jobs. The U.S. also funds projects focusing on the key areas of access to water for drinking and irrigation and public health to address the needs of the predominantly rural and impoverished population of Central Asia.

We are also very much involved in efforts to improve education in Central Asia through support for higher education institutions such as the American University of Kyrgyzstan, curriculum development and teacher training for school-based civic education, and exchanges for teachers and students at the secondary and post-secondary levels. In FY 2002 we increased funding for academic exchanges that bring future leaders from throughout Central Asia to study in the U.S., and we intend to increase these programs further in FY 2003.

CENTRAL ASIA/CAUCASUS

Question. Related to the Caucasus, specifically, I believe that the President showed great leadership when he waived the Freedom Support Act section 907 sanctions against Azerbaijan. Doing that will allow Azerbaijan and the United States to further their relationship. Since the terrorist attacks, how has Azerbaijan contributed to our operations?

Answer. Azerbaijan historically has an outstanding record of cooperation with the United States on counterterrorism issues, assisting in various investigations (including the 1998 Embassy bombings in East Africa) and helping protect Embassy Baku against suspected terrorist threats. Shortly after September 11, Azerbaijan offered "whatever means necessary" to the United States for the war on terrorism. These included but were not limited to blanket overflight rights, full intelligence cooperation, and the use of Azerbaijani bases. Azerbaijan is crucial to our air bridge into Afghanistan, and more than a thousand critical overflights have occurred since September 11. Azerbaijan is party to eight of the twelve UN counterterrorism conventions, having ratified the 1999 International Convention on the Prevention of the

Financing of Terrorism on October 1, 2001. Azerbaijan is currently preparing national legislation to implement this convention and has requested U.S. assistance in drafting that and other anti-terrorism legislation. In the interim, the Government of Azerbaijan is utilizing a Presidential decree to investigate and freeze potential terrorist assets.

Before the waiver, section 907 hindered our ability to take full advantage of Azerbaijan's offer of support. Among other things, it prevented assistance to the Government of Azerbaijan in drafting and implementing anti-terrorist legislation, in building up Azerbaijan's ability to fight terrorist financing, and in helping Azerbaijan strengthen and secure its borders to prevent terrorist infiltration and exfiltration.

Thanks to the leadership of Senator Brownback and Senator McConnell, Congress granted the President the authority to waive section 907 in Title II of the Kenneth M. Ludden Foreign Operations, Export Financing and Related Programs Act, 2002. The President exercised this authority on January 25. Various technical assessment assistance teams have visited Azerbaijan since January to discuss cooperation on terrorist financing, law enforcement, border control and other subjects. The Department of Defense plans to conduct its first-ever bilateral working group with the Azerbaijan Ministry of Defense in late March, following an assessment visit in late February. The State Department will brief the Appropriations Committees as required under Title II before the second week in March. Once the briefing is done, we can begin new assistance to and work in cooperation with Azerbaijan to meet our objectives in the war on terrorism.

The waiver of section 907 allows us not only to develop our relationship with Azerbaijan but also to develop our relationship with Armenia and engage both countries more deeply than we have been able to do in the past.

RELIGIOUS FREEDOM AND OUR ALLIES ON TERRORISM

Question. Secretary Powell, could you please speak to how, and how well, the United States is reconciling our need to recruit allies with our obligation to promote respect for human rights and religious freedom?

Answer. The President has made it absolutely clear that the war on terrorism will not place our advocacy for human rights and religious freedom on hold. Indeed, the two priorities are mutually supportive. Our campaign to defeat international terrorism is a campaign to protect fundamental human rights, including religious freedom.

Nowhere is this convergence of goals clearer than in Afghanistan, where the Bonn Agreement includes protections for human rights and religious freedom. In Pakistan, our partnership has already yielded results that, if carried through successfully, may be of profound importance for religious minorities, including the reform of electoral laws to abolish the discriminatory separate electoral system for religious minorities and government efforts to reform madrassas. In China, the President will raise religious freedom as a core element of our relationship. Our engagement with countries on counterterrorism affords us more opportunities in which to raise our human rights concerns.

We recognize that our campaign against terrorism has increased our involvement with some countries whose records on religious freedom and human rights are disappointing. We are not ignoring these problems. On the contrary the campaign against terrorism has provided us with the opportunity for more active engagement with political leaders and civil society, and the fact that it is clear that we are committed over the long term increases the possibilities for moving countries in the right direction.

SUDAN

Question. Sudan has long been a particularly troublesome part of the world for human rights abuses—not the least of which include human slavery and religious persecution. I have heard conflicting reports of progress with the North and a potential easing off of American pressure to ensure self-determination and support of the South. I would urge the administration to remain aggressively involved in Sudan—particularly now as we are clamping down on world terrorism. Could you clarify the U.S. policy position in Sudan?

Answer. Sudan has indeed had a tragic history, and the suffering of its people continues. There has been no easing of pressure by the United States on the parties, and particularly on the Government of Sudan, to stop targeting civilians, end the practice of slavery and abductions, cease hostilities in the Nuba Mountains, provide for the safety of humanitarian workers, and commit itself to ending the war. In fact, pressure on these matters has been mounting. We are also demanding from the government a coalition partners in the global war on terrorism. There is no quid pro

quo—Sudan must improve both its cooperation on terrorism and bring an end to domestic abuses and the civil war if it wishes to improve relations with the United States. We remain hopeful that the modest beginnings made by the efforts of Special Envoy Danforth will soon grow into a sustainable, just peace for Sudan. To a large extent, however, the actions by the Sudanese Government over the next few months will determine the direction that U.S. policy will take.

We will continue to pursue a just and lasting peace in Sudan. We recognize many points will have to be negotiated in order to reach a solution acceptable to the aggrieved party; the southern Sudanese. Although the exact formula of a peace settlement remains to be resolved by the parties to the conflict—which could be concluded under the terms of the Intergovernmental Agency on Development (IGAD) Declaration of Principals (DOP)—no specific points, including self-determination, confederation or unity, have been taken off the negotiating table. No agreement, regardless of who brokered it, would last unless all parties agree that a just and equitable solution has been reached.

HUMAN RIGHTS OF WOMEN AND CHILDREN

Question. Secretary Powell, I commend you, President Bush, and the First Lady for your leadership in making the needs and human rights of women a priority for current U.S. foreign policy on Afghanistan. Women and children are frequently the first victims in conflict situations. Are there further plans to integrate our efforts to promote the human rights of women and children into our war on terrorism and promotion of democracy abroad?

Answer. Ensuring women's human rights and those of their children strengthens democracy. It is at the core of building a civil, law-abiding society, which is an indispensable prerequisite for true democracy.

In times of conflict, women disproportionately bear the brunt of the atrocities. At the same time, women are excluded from access to power structures and participation in decision-making with regard to armed conflict, leaving them powerless to draw attention to difficulties they experience in conflict situations and voiceless to recommend any preventive action. The USG advocates participation of women in all activities aimed at assisting or protecting them, from design to implementation of a program.

There is need for much greater emphasis on gender-related issues, such as the human rights of women in conflict situations. We have supported initiatives (the Kosovar Women's Initiative; the Bosnian Women's Initiative, the Rwandan Women's Initiative) that aim to empower women to be able to rebuild their lives. There should be greater emphasis placed on addressing the protection and assistance needs of women in armed conflict and in the recovery from conflict as well. We have encouraged international organizations such as the ICRC to put greater focus on women conflict victims.

We are proposing to promote women's welfare and political participation as a key objective in a regional strategy for the Middle East and South Asia including, of course, Afghanistan. This includes educating women not to idealize and raise martyrs; providing them with literacy and education to make informed judgements, and become economically productive, therefore leaving them less vulnerable to messages from extremists and radicals; and providing women with sufficient opportunities for participation in public life to give them a stake in the system.

We have recently provided \$60,000 for leadership training for women from the Middle East. In Syria this interactive training and participatory training focused on leadership, NGO development, strategic planning and mediation and conflict resolution. In addition, the International Visitor Program, the Fulbright Scholarship Program and the Humphrey Fellowships all promote democratic and economic development and closer ties between the U.S. and countries around the world participating in the programs. The Department's Bureau of Educational and Cultural Affairs' budget for FY 2002 is approximately \$240 million for worldwide academic and professional exchanges, many of which involve women participants. For example, 50 percent of the Humphrey Fellows are women.

The United States plans to resume a broad range of educational and cultural exchange programs with Afghanistan, including programs focused on education and training for women. Under the auspices of the Fulbright Teacher Exchange programs, the Department's Bureau of Educational and Cultural Affairs proposed to organize a one-year multi-phase program this year to enhance the skills of Afghan women teachers working in basic education. The program will bring ten women teachers to the United States to prepare them to become master teachers and teacher trainers. They will be trained in basic education, curriculum development and computer skills. Following their return to Afghanistan, they will train at least 100

more teachers in basic education skills, potentially impacting thousands of Afghan children.

The annual Country Reports on Human Rights Practices is one of our major tools for raising awareness and promoting the human rights of women. These cover sex-based discrimination stemming from laws, regulations, or state practices that are inconsistent with equal access to housing, employment, education, health care, or other governmental benefits. Among the topics covered are societal violence against women, e.g., “dowry deaths,” “honor killings,” wife beating, rape, female genital mutilation and government tolerance of such practices. Also covered is the extent to which the law provides for, and the government enforces, equality of economic opportunity for women. Additionally, the Department has strengthened the Office of the Senior Coordinator for International Women’s Issues that raises awareness of women’s issues and is the focal point for the development and implementation of our pro-women agenda.

We will continue to promote inclusion of the concerns and human rights of women and children in our programs abroad, including those in war-torn countries and in our promotion of democracy around the world.

